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ROUSTED BY A BARRAGE — A Chechen leaving her wrecked home in Grozny on Tuesday as a new Russian artillery blitz pummeled the city. Page 2.

For Chechen Civilians, No Haven From Brutality

By Lee Hockstader
Washington Post Service

GROZNY, Russia — There is no apparent strategic or tactical reason why anyone would want to destroy the Home for the Elderly and Disabled in Grozny. It's a lovely old place with a graceful yellow facade and outdoor gardens, and the only residents are widows in their 70s and 80s who, if they can still walk, spend their days shuffling through the corridors and listening to the war raging around them.

Yet one day last week, the violence that has enveloped Chechnya made a house call. A Russian artillery shell slammed into the home, smashing through a brick wall and reducing the home's pretty little theater to smithereens.

"We used to have little concerts, movies, singing and dancing, some talks about various topics," said the caretaker, Malika Ptashinskaya, 32, who is virtually the only person still caring for the home's 60 surviving residents. "Now we don't even have heat anymore."

All over Chechnya — in shabby little villages on the plains, in rugged hamlets in the Caucasus Mountains and in the shell-blasted capital of Grozny — the Russian military has shattered buildings and lives with the appalling brutality and randomness of modern warfare.

A visitor to the separatist republic these days finds himself trudging past the rubble of a destroyed orphanage, picking through the scorched remains of an out-

State of the President: At the Midpoint, a New Humility

By Ruth Marcus
Washington Post Service

WASHINGTON — Two years ago, the Clinton administration entered office with an ambitious agenda for changing America, fueled by optimism that the forces of government could be used to achieve that change.

It wanted to reverse Republican policies on issues from abortion to the environment to gun control; reorient spending to support families and help workers and business compete in the global market; reduce the deficit, and reinvent government to make it smaller and more efficient.

Now, at midpoint, the administration has had noteworthy accomplishments in all those areas — though they have been limited by budget constraints and political realities and eclipsed by its failures, particularly the collapse of the plan to overhaul the nation's health-care system.

As President Bill Clinton prepared to deliver his third State of the Union message on Tuesday night, the buoyant tone of last year's address, with its proud recounting of first-year accomplishments and bold threat to veto any health-care legislation that fell short of guaranteed coverage for all Americans, seems like an echo from a bygone era.

In its place is a new humility, full of acknowledgments that government cannot solve every problem even as the president seeks to convince a skeptical public that "government cannot walk away either."

With Republican control of Congress, the administration confronts two bleak years in which much of its energy is likely to be devoted to retaining what it has put in place.

Some of its programs, such as reforming government, are in danger of being overtaken by Republican demands for even greater cuts and changes. Others, such as regulatory initiatives, could be undone by the new Republican majority. And the new programs it has managed to implement could be eliminated or severely cut back.

"There is clearly a threat to some of the key accomplishments that we achieved over these last two years, and there will be an effort to try to reverse those and the president will fight those efforts," said the White House senior adviser, George

Kiosk

Yeltsin Demotes A Foe of Reform

MOSCOW (WP) — President Boris N. Yeltsin, in a victory for the reform wing of his government, on Monday dismissed his privatization chief, who had alarmed investors with plans to renationalize Russia's industry.

Mr. Yeltsin had criticized his privatization director last week for "inept" statements, but the battle within the Kremlin over Vladimir Potanin's fate raged for several more days.

Free-market advocates inside the government celebrated Mr. Yeltsin's decision, which followed months of a general slide away from reform and toward hard-line positions.

"The entire country is not yet a bastion of the free market, and this fight will go on for a long time," one government adviser said. "But this represented the strongest challenge yet to privatization, and it was rejected."



A SILVER LINING — Pete Sampras, upset by the hospitalization of his coach and fighting back tears, ultimately won his quarterfinal match in the Australian Open after dropping the first two sets to Jim Courier. Page 19.

Dow Jones		Trib Index	
Down	4.71	Up	0.79%
3862.70		107.88	
The Dollar		Trib Index	
DM	1.5128	1.5146	
Pound	1.587	1.594	
Yen	99.755	99.805	
FF	5.234	5.2425	

Newsstand Prices	
Andorra	9.00 FF
Antilles	11.20 FF
Cameroon	1.400 CFA
Egypt	E.P. 5000
France	9.00 FF
Gabon	960 CFA
Greece	350 Dr.
Italy	2.400 Lire
Ivory Coast	1.120 CFA
Jordan	1 JD
Lebanon	US\$ 1.50
Luxembourg	60 L. Fr
Morocco	12 Dh
Qatar	8.00 Riels
Reunion	11.20 FF
Saudi Arabia	9.00 R.
Senegal	960 CFA
Spain	225 Ptas
Tunisia	1,000 Din
Turkey	T.L. 45,000
U.A.E.	8.50 Dirh
U.S. Mail	(Eur.) \$1.10

Warning Signs on Mexico Couldn't Ward Off Crisis

By David E. Sanger and Anthony DePalma
New York Times Service

WASHINGTON — While the Clinton administration and the Mexican government were saying until late last year that Mexico was a booming example of an emerging market that would bring wealth to workers in both countries, warnings were running rampant in both capitals that severe economic trouble lay ahead.

According to officials in Washington, the Treasury Department told several Mexican officials starting last summer that the country's short-term borrowings had reached a dangerous level and that the peso was being kept artificially high. But on several occasions, officials said, the Mexicans said they were aware of the problem but that nothing could be done until well after the Aug. 21 election that brought Ernesto Zedillo Ponce de León to power.

In Mexico City, officials acknowledge that they knew the economy was in serious trouble months before the election. But they say that for political reasons, partly related to the election and partly to the ambitions of the existing president, Carlos Salinas de Gortari, to head the new World Trade Organization, they chose to continue borrowing and spending at a tremendous pace, sustaining the illusion of a thriving economy.

Finance Minister Guillermo Ortiz told a hostile meeting of the legislature in Mexico City on Monday that there had been an obvious "yellow light" in Mexico's balance sheets. While the government was to blame, he said, so was Wall Street, which "endorsed the economic policies and in particular the exchange rate policy of the Mexican government."

The series of warnings issued from Washington raises a number of questions about what the administration was saying in public about the health of the Mexican economy, signals that were picked up by both American companies and investors.

In November, President Bill Clinton used the Summit of the Americas in Miami to warn Mexico of economic trouble.

Luck — and Money — Played a Role for Quake Victims

By Nicholas Kristof
New York Times Service

ASHIYA, Japan — To provide the wealthy neighborhoods here in the Beverly Hills of Japan, where \$5 million ranch-style homes peek from behind stone walls, is to see that it was not just luck that determined who lived and died in last week's devastating earthquake. Money also played a role.

While nature was democratic, in that the temblor rattled rich neighborhoods as well as poor ones, its consequences were not. Frequently, it was the poorer people's homes that collapsed and buried them.

So this week, many poor families are arranging funerals and many rich ones are arranging vacations. Some wealthy people were among the 5,000 who died, of course, but disproportionately it was the poor and elderly who lost their homes, jobs and lives.

The earthquake zone includes some of the wealthiest parts of Japan, and this city of Ashiya is famous as a playground of the rich. Nestled on the edge of the port city of Kobe, Ashiya was the setting for the famous novel "The Makioka Sisters," Junichiro Tanizaki's portrayal of the life of a wealthy family in the 1930s.

Yet, if the Makioka sisters were around today, they probably would have come through the earthquake unharmed, just as the Honda family did.

"Dr. Minoru Honda and his wife, Yoriko, live in a Tokyo declares Kobe to be a disaster area. Page 6.

spectacular two-story wooden home with a huge garden and duck pond. By and large, the damage to their home is manageable: a shattered beam, a broken second-floor sauna, a toppled bookshelf and an overturned aquarium that left seven tropical fish gasping on the floor.

Dr. Honda, an amiable surgeon who rushed to a hospital after the quake and worked for two days without sleeping to treat the injured, further remedied things by going out and buying a motorcycle to get around the terrible traffic jams.

"Those things are useless now," he said, pointing to his Porsche Carrera and Mercedes-Benz cars. "But the motorcycle is very nice, except that the roads are bumpy."

Mrs. Honda offered coffee in her dining room, serving with German cups and saucers to replace the French ones that had shattered, and noted that some wealthy people had died in the quake, including a friend who was a businessman and his 25-year-old son.

"But after the quake, it's different for rich people," she added. "The rich have relatives with extra rooms, so they have somewhere to go if they need to. And if they've got money, they can buy anything they need."

Wealthy families like the Hondas seem full of compassion for their less fortunate neighbors in the shelters, and there seems to be relatively little resentment among the

U.S. to Freeze Assets Held By Suspected Terrorists

President's Order Aims To Support Israel and Tighten Vise on Iran

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — Fulfilling a promise to help curb terrorism in the Middle East, President Bill Clinton moved Tuesday to prevent suspected terrorists from obtaining financial support through donations and front organizations in the United States.

An executive order signed by the president seeks to freeze any assets held by a dozen groups and 18 individuals who have been linked to acts of international terrorism, and seeks to prevent them from collecting donations in the United States.

Mr. Clinton used his authority to declare "a national emergency with respect to grave acts of violence committed by foreign terrorists to disrupt the Middle East peace process."

He also said he was preparing legislation that would expedite deportation proceedings and criminalize domestic conspiracies to commit terrorist acts abroad. The legislation is also expected to implement a recent international agreement to "tag" plastic explosives with chemical agents to more easily track them.

The White House effort is aimed not only at demonstrating further support for Israel at a critical juncture in the Middle East peace process, but also is seen as a tightening of the diplomatic vise on Iran, which U.S. officials believe is a major source of support for terrorism and a major threat to the region if it obtains nuclear weapons.

These two broad aims are directly linked, in the view of U.S. officials.

Secretary of State Warren M. Christopher has called Iran "the world's most significant sponsor of state terrorism and the most ardent opponent of the Middle East peace process."

At a White House briefing, U.S. officials offered no evidence that the groups or individuals had substantial assets in the United States, and it was unclear whether an extensive fund-raising apparatus was known to exist.

But the Treasury Department informed thousands of banks on Tuesday of the persons and groups that should not be wired money abroad. In addition, U.S. officials said they would expand the use of wiretaps and other sophisticated surveillance to pinpoint funding sources, and would tighten visa and passport restrictions.

The officials provided no concrete examples of transactions they were seeking to halt. Rather, said one, "There is belief that funds are leaving the country in support of terrorist organizations and this will stop and interdict that."

Another official remarked: "It is not merely a question of symbolism, it is a question of good enforcement policy."

The groups cited by the president include such Arab- and Islamic-based organizations as Hamas, Hezbollah, the Palestine Liberation Front, Islamic Jihad, the Islamic Group and two Israeli-based groups, the Kach movement and Kahane Chai, both linked to the late Jewish militant rabbi Meir Kahane.

Among the individuals named by the White House were Georges Habash, leader

Germany Faces Uphill Road on Reunification

By Craig R. Whitney
New York Times Service

BONN — Judging by what has happened since reunification in 1990, Germany is likely to be more preoccupied with itself over the next five years than intent on exercising the new economic and political

might that made its neighbors so uneasy five years ago.

Chancellor Helmut Kohl rammed unification through NATO and the European Community in 1989 and 1990, brushing aside fears that Europe would be dominated by a German colossus of 80 million people.

For the time being at least, Mr. Kohl's reassurances about German power have proved depressingly true for his government. Germany's main problem — in the fifth year of reunification — is essentially what it was at the start: How to make one country out of two separate states.

Officials close to Mr. Kohl say that the chancellor was chastened by the apprehension about reunification that was shown by President François Mitterrand of France, whom he considers a close friend.

But it is the unexpected difficulties of reunification that have also chastened Mr. Kohl. His government had to reintroduce a 7.5 percent income tax surcharge this year to help pay for the costs of reunification — a tax already so unpopular that the govern-

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John Paul as Evangelist: Revitalizing His Moral Vision

By Alan Cowell

ROME — When people look back on Pope John Paul II's many voyages around the world, they may discern among them some defining moments: his 1979 appearance in Krakow that threw down the gauntlet to communism in his native Poland, or his 1993 visit to Denver that conjured a vision of spirituality among the young people of America.

But his just-completed 63d trip, a 20,800-mile (33,700-kilometer) journey through Asia and the Pacific, may well be viewed as a turning point of a more personal kind: an attempt by the 74-year-old Pope to shake off the image of a papacy in decline and to project the idea that neither his health nor his age will deter him from injecting his moral vision into the world's business.

Indeed, Vatican officials seem increasingly to suggest that as spiritual leader of 980 million Roman Catholics, and as unchallenged head of the world's only major religious body in which power is so centralized around a single man, the Pope has come to sense that he is the only person to fulfill the role of global conscience.

Who else, Vatican officials like to imply, could

command the attention and presence of 4 million people, as the Pope did in Manila a week ago? And who else, the Pope himself seems to be saying these days, could offer such a moral vision

NEWS ANALYSIS

in an era when, as he said in Colombo, Sri Lanka, on Saturday, "more technological progress does not satisfy man's inner yearning for truth and communion."

There is, of course, a certain hubris to all this. But, for believers, that is more than offset by the sense of divine mission.

"As long as God permits," he said in Australia, "I must continue to fulfill the ministry of St. Peter: to profess that Jesus Christ is the Messiah and the Lord and to confirm my brothers and sisters in that faith."

It is inherent in the Pope's conception of Catholicism as a faith constantly in need of renewal and expansion that its believers should evangelize. It follows that the Pope himself cannot be exempt, indeed, should personalize the mission.

Certainly, the Pope likes the crowds, works

them with a skill worthy of the most cunning politician, and energizes himself from their enthusiasm. But he undertakes his travels primarily because his vision of the papacy and of Catholicism leaves no room for staying home.

When he beatified Joseph Vaz, an 18th-century missionary in Sri Lanka, the Polish pontiff's description of the priest as a man "on fire with faith" who left his native land to spread the faith might almost have been a reflection of the image John Paul II wishes to bequeath to history.

"Everyone who has received the faith," he said, "is called to share that gift with others." If that was the intention behind the journey through the Philippines, Papua New Guinea, Australia and Sri Lanka, the results were mixed. The refusal of Buddhist monks to meet him showed the limits of papal power in a region that is the least Christianized in the world.

The voyage took on particular overtones when John Paul fell in his bathroom in the Vatican last April, broke his leg, and underwent hip-replacement surgery from which he has yet to fully recover. The accident forced cancellation of a visit to Belgium, and in October he put off a visit to the United States. His Asian tour came to be seen as a personal challenge.

Here too, the results were mixed. The physical strain of 11 days crossing time zones and oceans showed the limits of the Pope's stamina. By the time he said his final Mass in Sri Lanka on Saturday he was visibly and audibly weary.

But he completed the journey without mishap. The huge throng that greeted him at the beginning of the trip, in the Philippines, seemed to reinforce him in his view that, with its ideologies fallen and its morality obscured by materialism, the world craves spiritual renewal.

The turnout also was taken as a personal vindication, as evidence that, 17 years into his papacy, John Paul II can still draw his biggest crowd ever, just as skeptics were beginning to write him off.

The Pope made clear that, though he walks slowly and with a cane and though his schedule is more limited than it was, his plans for the future are not so cramped. Two new encyclicals — one on the contentious matter of the sanctity of human life — are ready for publication. After Asia and Australia, he plans this year to visit the United States, Belgium, and Africa — making it what his spokesman, in an affirmation of papal resolve, called "the year of the five continents."

WORLD BRIEFS

A Step Closer for U.S. and Vietnam

WASHINGTON (APF) — The United States and Vietnam could announce as early as Friday the opening of liaison offices in the two countries, a major step toward formal diplomatic ties, a U.S. official said Tuesday.

"I have heard Friday is a possibility," said a State Department official. He added that both sides had agreed to open the offices but had not finalized how and when to announce the move. The opening of the offices became possible after the two sides initiated an accord in December on the exchange of diplomatic properties seized after the U.S. pulled out from Vietnam in 1975.

Arms-Pact Extension Lacks 30 Votes

WASHINGTON (Reuters) — Less than three months before a critical deadline, the United States and its allies are about 30 votes short of the support needed to extend a treaty that many believe is an important curb on the spread of nuclear weapons, a senior U.S. official said Tuesday.

John Holm, director of the Arms Control and Disarmament Agency, said that despite this, Washington was not exerting any special pressure on Israel — the key U.S. ally in the Middle East — to join the Nuclear Nonproliferation Treaty. Mr. Holm told reporters that there was "some anxiety" within the Clinton administration at not being able to identify a solid majority of 85 countries that would vote to extend the treaty indefinitely at a meeting set for April.

But he nevertheless expressed confidence that the allies would "have the number at hand" when needed. Mr. Holm also said the prospects for Senate ratification of the START-2 treaty this year were "quite good." Hearings are to begin in the Senate next week.

Berlusconi Presses for New Elections

ROME (AP) — Keeping up pressure for quick elections, former Prime Minister Silvio Berlusconi said Tuesday that his party would not block the new government but would never forget that the ballot box awaits.

Mr. Berlusconi said his Forza Italia party would abstain in a confidence motion, expected Wednesday, on the government headed by Lamberto Dini.

"It's a yes" with reserve," Mr. Berlusconi said in a 20-minute speech to Parliament in which he sharply denounced his former government ally, the Northern League. The media magnate says voters would back him and his conservative allies in new elections.

Bosnia Talks Open as Battles Rage

SARAJEVO, Bosnia-Herzegovina (AP) — The United States and its allies on Tuesday began a new round of peace negotiations in Bosnia as heavy fighting persisted in the northwest, where rebel Muslims and Serbs have continued to battle forces loyal to Bosnia's Muslim-led government.

About 500 detonations were reported in a 24-hour period near Velika Kladusa, a town near the Croatian border that has been the scene of fighting despite a nationwide truce that took effect Jan. 1.

In Sarajevo, envoys from the five nations that drew up an international peace plan for Bosnia — the United States, Russia, France, Germany and Britain — met Tuesday with Bosnian government officials. In Zagreb, the Croatian capital, Bosnian and Croatian leaders met to strengthen military cooperation between Muslims and Croats in Bosnia.

Paris Socialist Resigns in Party Feud

PARIS (Reuters) — Feuding in France's opposition Socialist Party deepened on Tuesday when the party's No. 2 leader resigned her position in protest over the bitter battle to choose a presidential candidate.

Ségolène Royal said she was leaving the chairmanship of the Socialist National Council and urged grass-roots activists to "stay out of these fatal quarrels." Party members are due to vote Feb. 3 to choose a candidate from among three contenders: the party's leader, Henri Emmanuelli; the former leader, Lionel Jospin; and the former culture minister, Jack Lang.

Opinion polls suggest that no Socialist has a chance of beating Prime Minister Edouard Balladur in the spring presidential election since the former European Commission president, Jacques Delors, decided not to run in December.

Indian Police Arrest Militant Hindus

BANGALORE, India (AP) — Indian police arrested more than 200 Hindu hard-liners in southern India on Tuesday in an attempt to prevent a march on a Muslim seminary, the police said.

The activists of the Bharatiya Janata Party were arrested in the state of Karnataka, where the authorities imposed a ban on processions and public meetings. The party has vowed to unfurl the national flag Thursday, India's Republic Day, on a site in the town of Hubli that was leased by the state government to a Muslim religious group in 1930 for 999 years.

In Bangalore, 30 party workers, including 21 state lawmakers, were arrested as they set off for Hubli, about 400 kilometers (250 miles) northwest of Karnataka's capital.

For the Record

Thousands of people in the Basque country and other parts of Spain stopped work to observe five minutes of silence at midday Tuesday to protest the killing of a politician by a Basque separatist gunman. Gregorio Ordóñez, recently nominated as the Popular Party's candidate for mayor of San Sebastián, was shot in the head Monday in a bar in the old quarter of the city. (Reuters)

TRAVEL UPDATE

Tourism Industry to Double by 2005

MADRID (Reuters) — The worldwide tourist industry should double in size in dollar terms over the next 10 years and by 2010 nearly 1 billion people a year will be making international trips, a tourism official said Tuesday.

This will bring wealth and jobs, but also pose a potential danger to the environment and to local cultures in prime holiday destinations, said Geoffrey Lipman, president of the World Travel and Tourism Council. Tourists should generate \$7.2 trillion by 2005, compared with \$3.4 trillion this year.

"Travel and tourism creates a new job every 2.5 seconds and generates investment of \$3.2 billion a day," he told a seminar hosted by the Madrid-based World Tourism Organization. The organization estimates that by 2010 there will be 937 million tourists traveling the world, compared with 528 million last year.

The parking garage at Bangkok's airport has nearly four times the acceptable level of carbon monoxide. Thai officials said. They warned travelers to use the garage as little as possible. (AP)

Tourists have returned to Haiti more than three years after a military coup. Royal Caribbean Cruise Line, the U.S.-Norwegian tour operator, brought 2,500 vacationers Monday for a brief stopover at the Labadie Peninsula on Haiti's north coast. (APF)

Algeria Dismisses 6 Aides Over Air France Hijacking

TUNIS — Algeria on Tuesday dismissed six senior officials, including the general manager of the national airline Air Algérie and the head of the border police, over the hijacking of an Air France airliner by Muslim fundamentalists in December.

A government statement on Algerian radio said an initial inquiry had found "serious professional faults" by the six officials, who also included the Algiers airport police commander, the civil aviation general manager, and the heads of airport services and customs.

The incident involved four gunmen who, disguised as airport crew workers, boarded an Air France plane at the Algiers airport on Dec. 24 and demanded to be flown to France. The gunmen killed three passengers and held more than 170 people hostage on board for two days before forcing the crew to fly to Marseille, France, where French commandos stormed the plane and killed the four gunmen on Dec. 26.

The radical Islamic Army Group has claimed responsibility for the hijacking and for the killing, on Dec. 27, of four Catholic priests in the eastern Algerian town of Tizi Ouzou. The group said the priests were slain to avenge the death of the hijackers.

Russian Artillery Pummels Chechens

Southern Grozny Is Barraged As Rebels Halt POW Releases

Compiled by Our Staff From Dispatches

GROZNY, Russia — Russian troops unleashed fierce artillery barrages Tuesday against Chechen positions in Grozny, while Chechnya's president said no more Russian prisoners of war would be released until a cease-fire is signed.

Lightly armed Chechen separatists tried to hold their positions with hit-and-run attacks, but Russian officials said the resistance consisted of "small independent groups of fighters who have no interaction."

From their positions near Grozny's railroad station, the Russians let loose a barrage on the southern part of the city with artillery, mine launchers and mortars.

In a radio interview, the Chechen leader, Dzhokhar Dudayev, said he was in Grozny and described the ruined capital as "a layer cake" with Chechen and Russian forces overlapping.

"Russian troops don't control anything — they have just accumulated in various spots and are surrounded everywhere," he said.

Mr. Dudayev said that he had heard that his son Avtur had been killed but that he had much more to think about than that.

"Such sons have been killed here that my heart aches remembering them," he said. "I have 30,000 innocent victims among civilians, and I can't think about Avtur. My heart goes out to those miserable people whom I was not able to defend."

Some Russian POWs have been returned, but Mr. Dudayev said no more should be set free until a cease-fire is signed. "There's a war going on," he said. "We're not a peace organization."

President Boris N. Yeltsin sent thousands of Russian troops into Chechnya on Dec. 11 to put down the independence movement in the mostly Muslim republic. Still, after six weeks of fighting, Russians control only parts of Grozny and the areas north of the capi-

tal. Towns and villages to the east, west and south have refused to buckle.

Political repercussions continued to rumble through Moscow. Defense Minister Pavel S. Grachev, giving another sign of top-level dissent over the military campaign in the Caucasus republic, said "six or seven" generals would be dismissed for disobeying orders.

But on the eve of parliamentary debate on his performance that is likely to increase pressure for his dismissal, General Grachev said he believed Mr. Yeltsin would stand by him.

"I consider that the president supports me," he said. "Of course, it is up to the deputies to decide whether my work corresponds to my given duties, but there is nothing criminal in my actions."

The State Duma, the lower house of Parliament, is expected to discuss General Grachev's handling of the Chechnya crisis on Wednesday. But it has powers only to urge Mr. Yeltsin, the commander in chief of the armed forces, to dismiss him.

The defense minister has been blamed by many Duma deputies for a series of setbacks and humiliations at the hands of the outgunned and outnumbered rebels in Chechnya. Lawmakers have also been enraged by bombing of civilians in the region. (AP, Reuters)

Yeltsin Vetoes Tougher Adoption Law

By Margaret Shapiro

Washington Post Service

MOSCOW — President Boris N. Yeltsin has vetoed a tough new adoption law that critics charged would have made it extremely difficult for foreigners to adopt Russian children, and Parliament has failed to override his decision.

Mr. Yeltsin's veto allows the current patchwork system for adoptions to continue, which will please many Americans

and others who have turned in increasing numbers to Russia for adoptable children.

But Mr. Yeltsin's decision will anger Russian adoption officials and other who have charged that too many Russian babies are being taken out of their homeland by high-paying foreigners.

Russia is now the most popular country for Americans seeking to adopt babies overseas. In the year ended last Sept. 30, about 2,000 children from the former Soviet Union — many of them Russian — applied for U.S. visas, according to the U.S. Embassy in Moscow.

The State Duma, the law-

making lower house of Parliament, attempted on Friday to override Mr. Yeltsin's veto of late December but fell short.

The new law would have given the Education Ministry in Moscow control of the adoption process, which currently is left up to individual orphanages.

U.K. Rejects Talk of Iran Role in Lockerbie Bomb

Reuters

LONDON — British officials on Tuesday dismissed a report linking Iran instead of Libya to the 1988 bombing of a Pan Am jet over Scotland that killed 270 people.

A Scottish newspaper, the

Daily Record, quoted U.S. Air Force intelligence agency files as saying that an Iranian diplomat had paid \$10 million for a guerrilla group to destroy the airliner over the Scottish village of Lockerbie.

But a British government of-

ficial said: "It clearly doesn't represent evidence. It's something we were aware of." He added: "It's not new and it was deemed not worthy of serious examination."

Britain and the United States have consistently blamed Libya for the Lockerbie bombing, and in 1991 issued arrest warrants for two Libyan agents.

The Daily Record quoted the files as saying the attack had been financed by a senior Islamic cleric as revenge for the downing of an Iranian passenger jet by the U.S. warship Vincennes in July 1988.

The files were released to a Washington law firm in November after a four-year battle.

British government officials said on Tuesday, however, that the files dealt with an issue that was separate from the Lockerbie bombing. Moreover, they said, the files indicated that the information about the cleric was second or third hand.

Saying Britain had investigated Iran's possible involvement in the bombing, the officials said they remained convinced of the strength of the case against the Libyans.

RUSSIA: No Haven for Civilians

Continued from Page 1

door market and negotiating the dank interior of a hospital that has been raked by shrapnel.

It is a war with few purely military targets and virtually no safe quarter.

Far from the ground fighting, Russian rockets and mortar rounds have rained down on dingy apartment buildings and ramshackle houses that had the misfortune to be located on the

Chechen-held side of town. In the countryside, Russian troops have machine-gunned cows as they grazed in pastures.

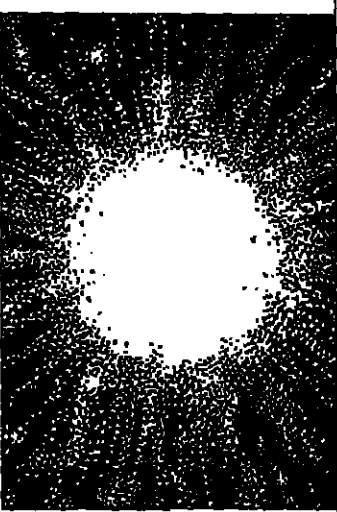
Russian armored personnel carriers have fired on refugees with cannons as they fled the fighting along roads designated as safe routes, then rolled over their cars, crushing them beneath their treads. Russian warplanes have rocketed quiet intersections and fresh-water springs in Grozny, cutting civilians to shreds even where there were no Chechen fighters in the immediate vicinity.

Again and again, Chechen and ethnic Russian civilians whose homes have been blown away or burned in the Russian assault rush up to visitors, demanding to know why such calamity has befallen them, as if only an outsider could explain so alien an event.

In this Thursday's HEALTH/SCIENCE

Exploding Stars

New insight from astronomers.



Herald Tribune

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THE AMERICAS /

Sniping Aside, Both Parties Support Mexico Rescue

By Kevin Merida
and Helen Dewar
Washington Post Service

WASHINGTON — Although lawmakers in both parties continue to question the politics and substance of President Bill Clinton's economic rescue package for Mexico, both the White House and Newt Gingrich, the House speaker, predict that a proposal with bipartisan support will be brought to a vote soon.

As talks continued on Mr. Clinton's plan for U.S. loan guarantees for Mexico, some House Democrats privately complained that the administration was listening mainly to House Republicans and was not sufficiently committed to resolving Democratic concerns about labor issues.

In the Senate, conservative Republicans said the administration had not satisfactorily addressed their

concerns about minimizing the plan's risks to U.S. taxpayers.

Under the Clinton proposal, the U.S. government would provide guarantees so the Mexican government can borrow up to \$40 billion from private investors, primarily to support its sagging currency.

U.S. taxpayers would not lose any money unless Mexico defaulted, and the White House was promising that the package would include stiff conditions to prevent that from happening.

"The administration needs to get its act together on this one — both politically and substantively — before it's too late," said Representative William B. Richardson, Democrat of New Mexico, a supporter of the loan guarantees. "Those of us who want to help don't seem to be consulted."

"Clearly, there are a lot of concerns about the administration's plan that would have to be laid to

rest," said Senator Robert F. Bennett, Republican of Utah, a key player in Senate Republican efforts to force a consensus on the bailout.

Still, Mr. Gingrich, Republican of Georgia, said Monday he was confident that a bipartisan agreement would be brought to a vote — possibly as early as Friday or Monday. Other negotiators were less hopeful about that timetable.

"I don't think whether it is Friday or next Monday is the critical issue," Mr. Gingrich said. "I think knowing that we are committed to bringing up a bipartisan agreement and trying to pass it on a bipartisan basis sends the key signal to money markets."

At the White House, officials expressed confidence that negotiations would produce legislation that can pass by the end of the week. The White House spokesman, Michael McCurry, said the past three days had produced progress in achieving consensus.



A DOG'S LIFE — Unabala, a sled dog in training, yawning out the porthole of a kennel in Flagstaff, Arizona. Dogsled races are to be held in the area this weekend.

POLITICAL NOTES

The New Team Has TV in a Tizzy

WASHINGTON — Televising the revolution, it turns out, is a difficult task.

As the Republicans have seized control of Congress for the first time in 40 years, the network evening newscasts have tried to follow the action on a dizzying array of domestic issues. But for a medium that has long trained its lens on the president as the nation's newsmaker-in-chief, covering 535 contentious lawmakers has produced, at best, a series of blurry snapshots.

With few exceptions, the newscasts have focused on flaps, disputes, political maneuvering and finger-pointing. On many evenings over the past three weeks, viewers learned little about the balanced budget amendment or welfare reform, with most reports built around dueling sound bites from party leaders.

"I'm very frustrated," said Bob Schieffer, CBS's chief Washington correspondent. "There's so much going on that you're trying to cover everything and you're not up to speed on anything. Just when I get ready to do a story on the Mexican peso, which I think we haven't done enough on, something pops up with Newt Gingrich."

Despite the traditional conservative lament that the networks tilt to the left, the recent coverage seems to reflect not so much ideology as a bias toward conflict. Republicans, echoing complaints by the Clinton White House, say their talk of abolishing the minimum wage or federal support for public television has been trivialized.

A Republican strategist, William Kristol, faults

both sides. The "childishness" of Congress, he says, "fits perfectly into the childishness of network TV." (WP)

Cuomo to Target 'Plastic Populism'

NEW YORK — Conservative books are hot, publishers say. Liberal ones are not. But never mind that. Former Governor Mario M. Cuomo of New York, whose liberal politics were soundly voted down in November, has decided to weigh in anyway. His proposed book theme: "progressive pragmatism."

In a letter now being shipped around New York's publishing houses by his agent, Mr. Cuomo promises a fresh rebuttal to what he calls "Gingrichism" and the "New world order." Publishing executives say Mr. Cuomo is asking for a seven-figure advance.

The book, he writes, "will say to America — we can do better than the plastic populism that convinced voters in 1994 their anger had produced an intelligent plan for the nation's future."

"And then," he goes on, "it will describe something better."

Mr. Cuomo said he had discussed the book idea with at least two publishers. The letter, to Jim Griffin, his agent at William Morris, was his first effort at putting the idea on paper, he said. (NYT)

A \$50,000 Tab to Dine With Gingrich

WASHINGTON — Newt Gingrich on Tuesday defended his plan to star at a \$50,000-a-plate dinner to raise money for a conservative-backed television net-

work, saying it was better to help a private cause than tax Americans to pay for public broadcasting.

The House speaker said he was attending the fundraiser for the National Empowerment Television network because "I believe in it as a cause."

The Chicago Tribune reported that Michael and Arianna Huffington, millionaire California Republicans, are serving as hosts for about a dozen dinner guests on Feb. 7 in Washington. Unlike fund-raising dinners for politicians, the contributions will be tax-deductible because National Empowerment Television is a not-for-profit organization, the Tribune said.

"The average American, I suspect, would rather have private charities and private organizations to get a tax deduction," Mr. Gingrich said. "That is, they prefer the Salvation Army to having their taxes raised to pay for another bureaucracy." Regarding the price per plate, he noted that President Bill Clinton had attended a Democratic National Committee cocktail fund-raiser where guests were charged a similar amount.

Mr. Gingrich's program, "Progress Report," appears on National Empowerment Television. The channel also promotes Mr. Gingrich's 10-volume lecture series, which can be ordered for \$229.95. (AP)

Quote/Unquote

Representative Barney Frank, Democrat of Massachusetts, on complaints by Mr. Gingrich of unfair treatment and excessive criticism: "The hypocrisy is just mind-numbing. He really invented politics this negative." (NYT)

Report Closes Case on Bank's Secret Iraq Arms Loans

New York Times Service

WASHINGTON — A Clinton administration report on allegations that U.S. officials illegally armed Iraq appears to be the final chapter concerning a set of accusations more than 4 years old that involved the Italian government, the Bush administration and an obscure Atlanta office that served as a branch of Italy's quasi-national bank.

In the report, Justice Department lawyers said that they had found no evidence to support allegations that aides to President George Bush had secretly armed Iraq and covered up

their activities after Saddam Hussein invaded Kuwait in August 1990.

The lengthy study, commissioned by Attorney General Janet Reno, said no one deserved to be prosecuted beyond a small handful of bankers in Atlanta who secretly helped finance Iraqi arms purchases and who have already been convicted.

At the heart of the story was the conviction of the manager of the Banca Nazionale del Lavoro of the Atlanta branch of the bank, making more than \$5 billion in secret, unsecured loans to Iraq for an arms buildup. The branch manager, Christopher

P. Drogoul, acknowledged that he had arranged for the loans, which were accounted for in a secret set of books.

But Mr. Drogoul insisted that he had processed the loans with the full knowledge of his superiors in Rome, who had told him they agreed to help Iraq as a service to Mr. Bush. Under this scenario, the Bush administration was trying to win favor with Mr. Saddam in hopes of moderating his policies, an effort that shattered with the invasion of Kuwait.

The Justice Department during the Bush administration

charged Mr. Drogoul and five of his associates in the bank branch with defrauding the parent bank by making the loans without the knowledge of officials in Rome.

But at a tumultuous hearing in September 1992 before a federal District Court judge, Marvin H. Shoob, it was disclosed that the CIA had concluded that the bank's managers in Rome were fully aware of the efforts to help the Iraqi president.

Judge Shoob expressed sharp skepticism that the scheme to funnel money to Iraq was solely

the work of five bankers in a small branch office in Atlanta.

In Monday's report, John M. Hogan, a Justice Department lawyer appointed by Ms. Reno to look into the matter, concluded, "We did not find evidence that U.S. agencies or officials illegally armed Iraq."

In the report, Mr. Hogan said he believed that there had been a conspiracy to conceal the Atlanta branch's loans because "a conspiracy of that magnitude would have involved hundreds of people." He added, "In my judgment, at least one member of the conspiracy that large would have revealed it by now."

Away From Politics

- The recent heavy rains and flooding in California and the unseasonably warm weather in the northeastern United States reflect the effect of the climatic effect called El Niño, which is gaining strength, NASA scientists have confirmed. (Reuters)

- A Maine judge has ruled that the state cannot impose a 6 percent tax on Girl Scout cookies. He also chastised state officials for applying the tax to the cookies, which are sold to raise funds for scouting activities. (AP)

- Over the prosecution's objections, the judge in the Los Angeles murder trial of Lyle and Erik Menendez has decided to push back the starting date to June 12. The trial had been set for March 13, but Superior Court Judge Stanley M. Weisberg ruled that defense lawyers were entitled to more time to prepare.

The brothers are charged with first-degree murder in the 1989 shotgun slayings of their wealthy parents. (LAT)

- A Clearwater, Florida, judge has ordered a manslaughter trial for a woman accused of shooting herself in the abdomen because she could not afford an abortion. A separate murder charge filed against Kawana Ashley has been dropped because Circuit Judge Brandt Downey said it was not clear whether the charge was appropriate. Ms. Ashley was six months pregnant when she was turned away from an abortion clinic, authorities said. Later, the unemployed St. Petersburg woman reportedly told a friend that she would have to shoot herself in the belly. In March 1994, she did. Her baby was delivered by Caesarean section and died 15 days later. (AP)

House Rules Panel Rehabilitates a Segregationist

By Katharine Q. Seelye
New York Times Service

WASHINGTON — He was a rabid segregationist, blocking civil rights legislation at every turn. He was a Democrat, but was disowned by his own party. Thomas P. O'Neill Jr., the former speaker, called him "an ultra-conservative who was no more a Democrat than the man in the moon."

Buried by the Democrats, the late Howard W. Smith has now been resurrected by the Republicans. A stately if faded oil portrait of the Virginian has been

hailed out of storage to grace the hearing room of the House Rules Committee, where was chairman from 1955 to 1966.

Committee chairmen can decide whose portraits adorn their walls. The new chairman, Representative Gerald B. H. Solomon of New York, ordered that Mr. Smith's portrait replace that of a longtime Democratic hero, Claude Pepper of Florida.

Democrats are appalled. One of them, John J. Moakley of Massachusetts, the panel's previous chairman, has urged that the Smith portrait be sent back to oblivion.

Mr. Moakley said it was outrageous to remove a picture of "one of the most benevolent members of Congress, a friend of the poor and the elderly," and replace it with a portrait of a man who "was probably the most significant obstacle" to civil rights legislation.

In his letter, Mr. Moakley wrote that Mr. Smith once justified slavery on the ground that "the Romans and Egyptians had used slaves to develop incomparable civilizations."

He added that Mr. Smith once said that "the Southern

people have never accepted the colored race as a race of people who had equal intelligence and education and social attainments as the white people of the South."

Mr. Smith's obstructionist tactics earned his powerful committee the title of "the graveyard of good legislation."

While acknowledging that Mr. Smith had "flaws and blind spots," Mr. Solomon has firmly refused to remove the portrait.

In a letter to Mr. Moakley, Mr. Solomon suggested that while even some Republicans disagreed with Mr. Smith's

views on civil rights, they respected him as "a staunch conservative who believed in states rights and opposed the growth of the federal government."

The House cannot wipe out its past by removing pictures, Mr. Solomon added. For example, Republicans have not sought to remove the portrait of Jim Wright, a Democrat and House speaker, who left office under an ethical cloud.

"If we wait to adorn our walls only with angels," Mr. Solomon concluded, "our walls will remain bare."

A WEEK IN THE LIFE OF THE TRIB

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Herald INTERNATIONAL Tribune.

The Israeli government faces a daunting challenge to protect its people from zealots willing to die in misguided service to a cause, like the Islamic Holy War terrorists whose bombs killed 18 Israeli soldiers and one civilian at a bus stop on Sunday. Prime Minister Yitzhak Rabin now faces an almost equally difficult challenge in keeping peace talks with the Palestine Liberation Organization on track after the fifth major bombing in less than a year by Islamic radicals determined to destroy the negotiations, the PLO and Israeli morale.

To Mr. Rabin's credit, he has reaffirmed his commitment to peace diplomacy, rejecting the arguments both of right-wingers who never believed in peace with the Palestinians and of doves like President Ezer Weizman who now question whether such a "bloody process" can ever lead to peace.

The worst response would be to surrender to the cruel logic of the terrorists, lumping all Israelis into one camp and all Israelis must

make clear distinctions between Palestinian groups that endorse terror and those that denounce it; between those who will compromise for peace and those who will not. This means distinguishing between terrorists of Islamic Holy War and a PLO that has forsown terrorism and is trying to learn the art of civil administration.

Israel has a right to demand that the PLO do all it can to stop terrorists operating out of Gaza and Jericho. But the Israelis themselves have been unable to eliminate Islamic terrorism in Israeli-controlled territories. Even a full peace agreement will not bring immediate peace, although it could begin to drain the recruiting grounds for terrorism to the West Bank.

There can be no military solution to the issues dividing Israelis and Palestinians. Recognizing this, Israel and the PLO reached a compromise that can benefit both sides. Mr. Rabin and Yasser Arafat now have a compelling interest in not letting terrorists who reject all compromise destroy that deal.

— THE NEW YORK TIMES.

The Republicans, beginning their party's congressional critique of the North Korea nuclear pact, are taking a hard but responsible approach. They are pointing up the agreement's substantial shortcomings. But there are so far accepting that the costs of derailling (but not funding) the agreement are unacceptably high.

The agreement sets the United States, with its allies and the international institutions, on a path to freezing, opening and then reversing and buying out North Korea's nuclear bomb program. The trouble is, the North Koreans, apparently wanting to preserve a hidden-bomb option to the end, would not allow this process of discovery and renewal to go ahead with the speed, completeness and clarity that Washington rightly sought. This is what inquiring Republican legislators, and not only they, now find defective about the agreement.

It helps you understand why the Bush administration, distracted anyway, preferred not to take the risks of making an imperfect agreement. Unfortunately, it did not have much of a substitute policy. In effect, it decided to let the Korean program run unchecked. The Clinton administration might similarly have shielded away but, inheriting a North Korea program several years more advanced and running free, it necessarily

felt more urgency. Its first line of policy, to tighten economic sanctions, stirred tensions without winning the requisite allied support. Its second line of policy, precipitated by Jimmy Carter's personal diplomacy, was to negotiate the best agreement it could.

Whether Republicans could have negotiated a better agreement is a fair question. The inquiring senators seemed to think so; they were not inhibited by the fact that their own party had missed its chance. In any event, the Clinton administration, said Senator John McCain, "put us in a box . . . If we refuse to fund [the accord], we can be accused of breaking it." Said Senator Frank Murkowski: "The president made commitments. I don't believe we should renege on those commitments."

It remains to note that, despite the shortcomings confirmed by the senators, the agreement keeps Pyongyang on a short leash. It gets nothing from Washington — in fuel oil now, in new safe nuclear plant later and overall in international respectability — without yielding up its bomb-making potential step by step. The agreement does not ensure that North Korea's bomb program will end. It does provide that North Korea will not profit unless it does.

—THE WASHINGTON POST.

Rose Elizabeth Fitzgerald, born in 1890, was a child of the Boston Irish. Her ancestors came from a country in which, as Roman Catholics, they had been barred by law from voting, holding office, owning land or attending school. So had the forebears of her husband, Joseph Patrick Kennedy, whom she married when she was 24. Together they married an extraordinary political partnership, comparable only to the Adams family and the Roosevelts—together, because his ambition and anger (he never forgot his snubbing and anger [in Boston]) was complemented by her commitment to their children. Let one of their sons run for office, and she, and their daughters, were right out there on the hustings with them.

When Rose Fitzgerald Kennedy died on Sunday, it was after a life that many

may admire but few can truly envy. The losses were too great. To study a photograph of Rose and Joe Kennedy and their nine handsome, invariably laughing children is to see a naval aviator killed in a plane crash, a young widow also killed in a plane crash, an assassinated president, an assassinated U.S. senator and a grinning girl lobotomized and institutionalized when she was only 23. Her life, Rose Kennedy said, was "a series of 'agonies and ecstasies.'"

What she was really like is known only to her children and grandchildren. But there are two things the American people know for certain. The first is that she was profoundly religious. The second is that she lived her 104 agonizing and ecstatic years with uncommon dignity and grace.

—THE NEW YORK TIMES.

Contrary to popular opinion, efforts to prevent catastrophes in urban areas have proved dramatic failures. Had the [Jan. 17 earthquake] struck Tokyo, experts estimate the death toll would have reached millions, heightened by large gas and petroleum reserves that would have exploded throughout the capital. Ignoring such a risk simply because Japan had not experienced any other disasters of this magnitude since 1948 is evidence of irresponsible government. We need to learn from the lessons of this tragedy.

—Jiji — Martin (Nico)

Haiti is losing the ability to sustain life. Beyond the turbulent politics, if the cutting of trees doesn't stop the land will not be capable of supporting any population at all, let alone one that is growing as fast as Haiti's. The first time the U.S. military forces invaded, in 1915, the country was forested 70 percent. By the time American troops were withdrawn, in 1934, the forest had been largely gone. Last September, the U.S. government was reporting that only 3 percent of the land still had forest cover.

STOCKHOLM — Reactions to the tragic events unfolding in the Russian republic of Chechnya are an important demonstration of changes evolving in the basic principles of international relations. The old pillars of sovereignty and non-interference in internal affairs are slowly giving way to a more flexible system, based on concern as much for the security of people as for the security of states.

This is overdue, and welcome as a sign that the international community is taking advantage of the opportunities for change offered by the end of the Cold War.

It is in the hopes for this new era rather than as a reversion to the tensions of the Cold War that the international concerns about Chechnya are rightly being expressed. Certainly, there is no serious suggestion that secessionist aims should succeed in this fashion.

The world's responses in Haiti, Rwanda and Somalia have been markers on our progress toward defining new principles for international action based on concerns for the security of people. Tragically, we were less prepared when the breakup of the former Yugoslavia began in 1991 and must continue to live with the consequences of our failure to act effectively before that conflict became entrenched.

The principle of nonintervention in the domestic affairs of states should not be taken lightly. But it is essential to assert the rights and interests of the interna-

NEW YORK — The president of Israel, a pioneer air force general who became part of the movement for peace with the Palestinians, looked at the Israelis left dead after Sunday's terrorist massacre, visited the wounded and then said what he felt had to be said at last.

The time had come, Ezer Weizman said, to suspend the talks with the Palestinians, for the Labor government and the Likud opposition to get together — and, most important of all, for Israel to “rethink which way we are going.”

“We signed an agreement that does not work,” he said. And: “Right now it is a bloody process, and with bloody processes we don’t achieve peace.”

Taken all together, the president was saying what mourners at the massacre site were shouting: “How long will this go on?”

Under Israeli law, Prime Minister Yitzhak Rabin does not have to

TOKYO—Earthquakes to the Japanese are like the sword of Damocles hanging eternally over our heads. In my childhood, we were told it was because Japan was built on a chain of volcanoes. Now we hear of the theory of plate tectonics. Whatever the reason, we have earthquakes all the time — big and small, those we can feel and those we cannot.

It is as if we are sitting on a piece of land that is perpetually quivering, like a huge pile of Jell-O, or on a firecracker that is ready to burst any time. So we are resigned to catastrophes, hoping to do our best when the time comes.

But evidently our best is not sufficient, as was made clear by the disaster that hit Hyogo Prefecture in southwestern Japan on Jan. 17. It was early in the morning — as the Japanese say, "luck within a misfortune" — when

LOS ANGELES—In a brilliant but frightening article in a recent issue of the *Los Angeles Times Magazine*, a novelist named Michael Erickson begins with the powerful sentence: "America wears out democracy." He continues:

"America feels at the end of its power, and the result is a hysteria of which we're barely conscious, a hysteria in which democracy appears as a spectacle of impotence and corruption . . . We divide, because the vast majority of us who—out of fulfury, confusion or indifference—are so disengaged from democracy we never vote at all, and those of us who vote not to thoughtfully resolve complicated issues but to express our rage . . . are immature, celebrating a dumb wit, Forrest Gump, as the best we can be. Because he is innocent. But we are not."

He says: "We have not grown up enough to accept that America has never been innocent at all; it is not possible to call innocent a country where the original residents were systematically wiped out and the new tenants built a society in large part on the labor of people who were shipped over in chains from another continent. These original sins do not negate Americanism. But idealism and idealismism. But that such an idealistic and romantic country was created out of such profound transgression is one of the most complicated paradoxes that we can entertain."

Mr. Erickson characterizes Democrats and Republicans

"The truth is that we are the problem with America. The process and politicians, the lobbyists and 'special' interests—by which we mean any interest that doesn't pertain to us—have reflected that all too perfectly, and we hate them for it."

"From dismal campaign to dismal campaign, we demand 'change' . . . From angry election to angry election, we demand that politicians tell us the truth, and then punish those who do."

"When they speak of unpleasant realities and tell us things must necessarily get harder before they get easier . . . we dismiss them at the polls or denounce them from the streets."

"From political season to political season, we demand our problems be solved and then make ruthlessly clear we expect someone else to pay the price."

This way: "One representative incompetence and intellectual bankruptcy, the other bad faith and the iron hand."

But he is harsher on Republicans for good reason. Citing Bill Clinton's 43 per cent of the vote, calling him "your" president rather than "his," saying he is not "Republican" in chief, Republican have deliberately questioned President Clinton's legitimacy—and therefore his added to American weariness by questioning the legitimacy of democracy itself.

It is a dangerous political game. We are playing the game. In Mr. Erickson's words: "We have come to act not oppressed by freedom though vigorated by it, more concerned with freedom rather than freedom to."

Universal Press Syndicate

The writer is prime minister of Sweden and co-chairman of the Commission on Global Governance. The 28-member commission was established in 1992, at the instigation of former West German Chancellor Willy Brandt, to recommend ways by which world security and governance could be improved.

On Thursday in Davos, Switzerland, Shridath Ramphal and I will present the United Nations secretary-general with the report of the Commission on Global Governance, which we have co-chaired for the past two years. The report, "Our Global Neighborhood," deals extensively with security in all its dimensions.

In the report, we propose an amendment to the UN Charter, rather than allowing basic principles of international relations to be decided arbitrarily in response to crises, or to be defined by pressure from a major power or group of states with particular interests in certain cases. Such an amendment would permit international action in cases which, in the judgment of the Security Council, constitute such a gross violation of the security of people that an international response is required on humanitarian grounds.

This is one move worth making, but

obey the president and suspend the talks. But that is not the central issue compared with what Mr. Rabin faces now. He has to convince the Israelis that if an agreement with Yasser Arafat is ever reached and the West Bank is turned over to the Palestine Liberation Organization, there will be less terrorism and guerrilla warfare, not more.

So far, Mr. Rabin and Foreign Minister Shimon Peres have followed every attack against Israel with a statement that extremist Palestinians will not be allowed to stop the peace process. Both speak as if the terrorists were somehow separate and outside a Palestinian community determined to make peace with Israel.

But more Israelis, probably now a majority, have come to believe that the terrorists are not separate from the process but very much a part of it. Storms, not just

sunshine, are part of the weather. On their television sets Sunday, Israelis could see Palestinians kiss the photographs of two Islamic Jihad bombers who had carried out the massacre that day.

The 1993 Oslo agreement for talks between Israel and the PLO had benefits for both. For Mr. Arafat: He forced Israel to recognize Palestinian national identity. For Israel: Israelis could now deal directly with a number of Muslim countries. That is important, but not as essential to Israelis as being able to live without fear that they will be blown to bits.

Mr. Rabin must know this. The polls tell him so. He must also know that the Oslo agreement had two flaws that are leading to a dead end. One was the assumption that Mr. Arafat would or could control the Holy War wing of the Palestinian

special breeds of humans acknowledged by capital letters: Knowledgeable People, Cultured People, Critics, etc.)

To the pointed queries about why the vaunted indestructibility of roads and buildings proved untrue, no satisfactory answers were given, save that an earthquake of such a magnitude was not expected, especially from directly below the islands, as against some elsewhere out at sea. We Japanese are very optimistic people, apparently.

To me, the disaster was not simply a matter of nature; it had man-made causes as well.

In the remote past, Japanese cities were not so densely populated. With rivers and canals lined by willows and cherry trees they were prettier places to live in, and safer. But with industrial

factories, roads and skyscrapers. Centralization was never checked — Tokyo's 12 million residents represent one-tenth of the entire population — for money has become the only standard with which to measure true values.

And now who are the politicians who promoted all this? They all seem to be sitting in the Parliament building, accusing each other of being laggard, debating what should be done.

Experience dictates that the outcome will be housing loans to the refugees and nothing more.

So far almost all that the victims have received — food, clothing, money — has come from private sources. The leader of a Swiss rescue team who offered aid almost immediately after the quake complained that it took days to receive an answer. His interview was inexplicably cut short by the govern-

to react promptly to any eventuality not in its long-term industrial plan.

What struck me while watching television was the remarkable patience and fortitude of the people. A day and a half after the earthquake, the refugees were camped out on school grounds, in civic centers, in the debris and in their cars, with almost no food, drink or bedding. Moreover, they had lost their homes.

In order to understand what this implies, one probably has to be born in Japan. To build a house in an area where jobs are obtainable, even one that Westerners would call a rabbit hutch is a lifelong task and, for many, an impossible dream — unless you inherit one, which does not happen very often nowadays.

Some of the refugees have b

"We've had half a nice ball game today," said an old man in reply.

case, the despatch of troops or military invasions. This remains the last resort. We recommend strongly that the international community improve its capacity to identify, anticipate and resolve conflicts before they become armed confrontations. Our ability and willingness to act is sharply reduced once fighting breaks out.

In a new framework for security, there needs to be both international and bilateral assistance available to address the root causes of conflict, whether ethnic tension is exacerbated by uneven or unjust economic development or by more obvious forms of discrimination.

The UN secretary-general has found the authority to despatch fact-finding and investigative missions. In this increasingly interdependent world, it is clear that what were once "internal affairs" now affect us all, and we would urge that greater use be made of this and other forms of preventive diplomacy.

At the same time, member states of the United Nations need to support early warning and preventive efforts by making available information they have gathered which could assist the secretary-general and the Security Council in defusing potential conflicts. It is too late now for Chechnya, Rwanda and Bosnia, but it need not be too late for the millions of people who live across other ethnic, religious or economic fault lines.

International Herald Tribune

movement. He could never even wipe out the death-to-Israel provisions of the PLO covenant.

The second flaw of Oslo was that it started a peace process without specific goals for the Israelis. Palestinians know what they expect from the agreement: independence. But Israelis have never been told how much land they would have to surrender and in return for exactly what, except the promise of peace that Mr. Arafat cannot guarantee.

The Labor government is not only the beneficiary of Oslo but also its prisoner. That is the meaning of what Mr. Weizman said.

Mr. Rabin has two choices. He can stand pat. That could very well make Benjamin Netanyahu the next prime minister. If Mr. Netanyahu does become prime minister, he may suspend the current talks but will try to avoid canceling the peace negotiations. The open peace struggle is too important

cept When Pol

On another channel, a heavily dressed man pointed at a vase of red and white flowers, and a woman in a red kimono and a half-smile said, "I had just built it, you know?"

Where does this stoicism come from? I think part of the answer lies in the history of the Japanese people. Japan is, of course, a chain of islands surrounded by the sea, from which no escape is possible when the government is decreed, as it did for centuries. People learned to obey and to be philosophical about it.

In 1876, Erwin Balz, a young German doctor who came to Tokyo to teach Western medicine, wrote in his diary about a disaster he had witnessed: "The yesterday was terrible . . . 10,000 houses were burned. I was surprised to see how the people were — no slaves."

Two days later he n
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By the same token, after the March 1945 air raid on Tokyo, I saw endless streams of refugees trekking out of the city in rags, silent and uncom-

IN OUR PAGES:

1895: Print Revolu

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throw away casually. But he will say what Israel would give for peace and under what conditions, and what it will not give. He will insist on the Israeli right of pursuit against terrorists, into Gaza and the West Bank.

If a Likud prime ministership does not appeal to Mr. Rabin, he will have to take the other option. Listen hard to Mr. Weizman and Israelis who agree with him.

To put it more plainly, Mr. Rabin can decide himself that indeed this cannot go on, on this chain of terrorist murders. He can give Israelis a clear idea of the future, what land they will be left with.

And he can tell them how he plans then to do what the Israeli government cannot do now: protect the safety of Israelis from terrorist massacres as they ride the bus in Tel Aviv, sit in a cafe in Jerusalem or have a bite at a snack bar in the countryside.

The New York Times.

Articians Preen

And thus we followed our leaders into war and thus we emerged from it to Western democracy. May God grant that at least the former part of this history not be repeated.

We should probably have fear on that account. As the singing went in 1946 or thereabouts, "Two things became strong after the war in Japan — stockings and women." The women who appeared on television this past week seemed to have even more character than the men. And it is perhaps women who, in the long run, most influence the course of historic events.

This was attested to by a boy I saw on television, whimpering as his mother led him by hand, probably to a shelter. His mother stopped for a moment and said irritably to him: "Stop crying. You're a man, aren't you?" The child brushed away his tears and on his face fell that expression of stoicism that we Japanese have fallen back on for centuries.

All of this does not mean Japanese patience knows no limits. The people will endure ship but perhaps not a government that rules with such blatant regard for their welfare. After Minister Tomiichi Murayama visited Kobe on Friday, a man viewed in the rubble remarked that it was "very nice of him to come. I'm sure, but frankly, I wish a bag of food had been dropped instead."

The writer, novelist and critic, "Rain and the Feast of the Spirit," contributed this comment to the New York Times.

100, 75 AND 50 YEARS A

1945: Camp Captivity
LUZON, Philippines — O'Donnell, terminus of a march from Bataan in April and thereafter the detention center for thousands of American prisoners of war, was yesterday morning (Jan. 10) reconnoitred by troops of the 1st Cavalry Division. No Americans were reported in Camp O'Donnell, apparently the Japanese

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO



PARIS.—M. H. Mazereau, The Figaro, asserts that the work is on the eve of a startling revolution in the printing trade. He has been shown a typesetting machine invented by the Rev. P. Caledoni which will compose by thousand letters per hour a task equal to the labor of thirty-six compositors. The difference in speed lies in the fact that instead of each letter being made to separately into the composing stick, entire words can be composed in an instant by the simultaneous application of the fingers of both hands.

PARIS — The four days' delay given to the Yugo-Slavs to decide definitely whether they accept or refuse the compromise announced by the Council of Three as a

tlement of the Adriatic problem has expired. The demand of a delay was caused by the fact that Serbians, Croats and Slovenes are somewhat divided over the acceptance of the compromise.

1945: Camp Captured

LUZON, Philippines — Camp O'Donnell, terminus of the death march from Bataan in April 1942, was overtaken by the American forces and thereafter the detention center for thousands of American prisoners of war, was captured yesterday morning [Jan. 23] by reconnaissance troops of the 14th Division. No Americans were reported in Camp O'Donnell, although the Japanese long ago had evacuated the prisoners. It immediately after the fall of Bataan the Japanese sent thousands of Americans on a ten-day forced march to Camp O'Donnell. Scores of those who collapsed en route were bayoneted on the spot.


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OPINION

Not Everyone Can Plug In To Electronic Democracy

By David S. Broder

WASHINGTON — No cliché is more widely believed, more unchallenged and more mischievous in its effects than the idea that Washington politicians don't listen to their constituents.

That is why I was delighted to see Time magazine give staff writer Robert Wright seven pages at the front of its issue last week to debunk the claim that Washington is out of

touch with America, and to analyze the dangers that electronic democracy poses to the constitution's system of representative government.

Washington is hardly out of touch with America; the feedback is frightening.

Mr. Wright's essay, keyed to a cover photo of Rush Limbaugh and a cartoon of the Capitol building surrounded by computer screens, fax machines, microphones and radios and choked by telephone cords, was particularly important. Populists of all stripes, pushing schemes from electronic town meetings to term limits, have had the debate to themselves, asserting that the national capital "just doesn't get it."

The reality, as Mr. Wright says, is that Washington may be "too plugged in" to the loudest voices back home. The devices for stimulating public denunciations of actions taken, or even contemplated, in the capital are so powerful that politicians quake at the thought of the way their words or deeds may be seen. And the feedback mechanisms — the capacity to jam the switchboards and flood the fax machines and mails — are so highly developed that it is easy to simulate a wave of public opinion, whether one exists or not.

Much of what Mr. Wright says is an elaboration of the argument made by Jonathan Rauch in his 1994 book "Democracy's Dilemma." Mr. Rauch's thesis is that organized interest groups, spawned most often by passage of programs that minister to their needs, have multiplied to the point that they now clog the arteries of democracy. Democracy is the political equivalent of arteriosclerosis — a symptom of a potentially fatal problem.

Interest groups are not "them"; they are "us." Whether we Americans are senior citizens on Medicare, farmers taking crop subsidies, college students with government-guaranteed loans, welfare recipients or homeowners with our mortgage-interest deductions, we all have some-

thing we are organized to protect, if any Washington politician thinks about tampering with it.

Add to that the people who are egged on by the Limbaughs of this world, who phone or fax any time the vigilante-broadcaster spots something untoward developing in Congress or at the White House. The resultant pressures on politicians to "do what people want" become all but overwhelming.

Mr. Wright correctly argues that the electronic democracy that is so much praised and practiced today is a far cry from what the founders of the country fashioned in the Constitution. "Their ideal," he writes, "was cool deliberation by elected representatives, buffered from the often shifting winds of opinion — inside-the-Beltway deliberation."

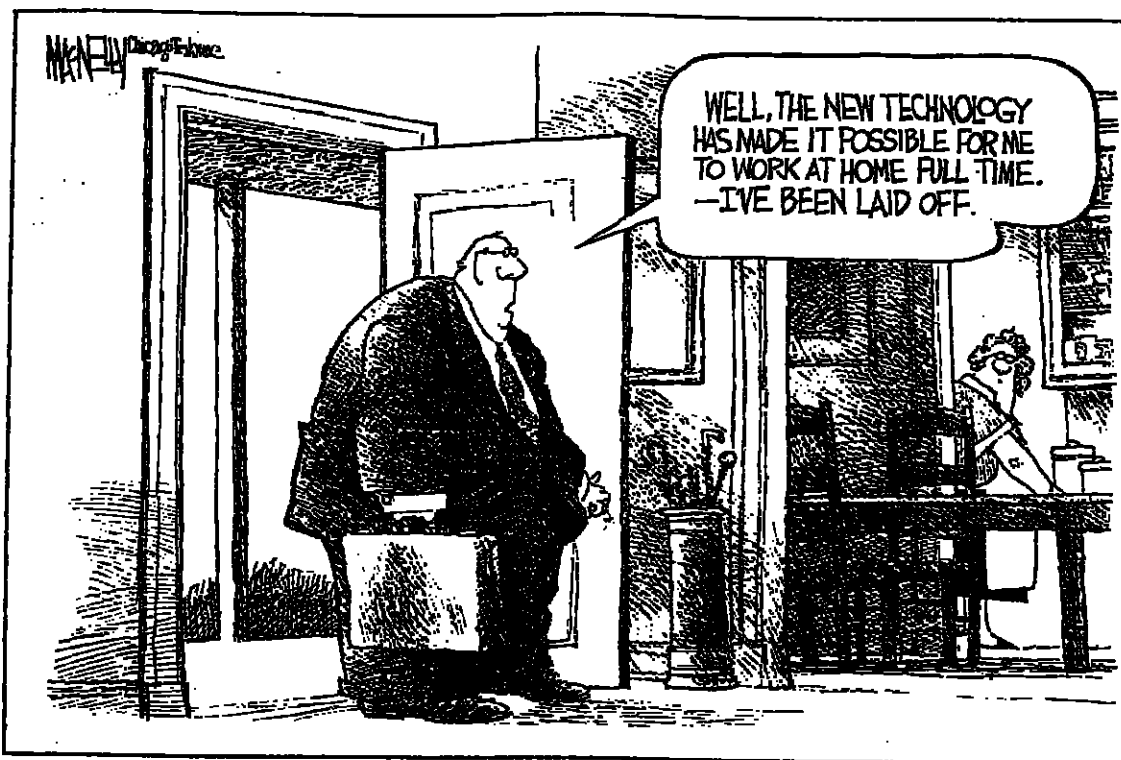
"Madison insisted in the Federalist Papers on the need to 'refine and enlarge the public views by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of their country and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations.' That is, Mr. Wright says, the opposite of a political system where a simplistic slogan like 'three strikes and out' can become a national mandatory-sentencing law in a matter of months.

A point which deserves equal stress is that, in an electronic democracy, it makes a great deal of difference who is mobilizing opinion. Once that was the work of the political parties, which are broad-based and internally diverse coalitions, representing competing versions of the national interest. Increasingly, that mobilization has fallen into the hands of private interests pursuing very specific and narrow agendas. The health care debate was dominated by such groups last year. In any such struggle among private groups, money will be important, not just in spreading the message but in hiring the people who know how to engineer quick responses.

It is no accident that, in this kind of electronic democracy, payments to the poor are the most vulnerable items in the government budget, while tax cuts for the wealthy command support. There aren't a lot of bucks being spent to make sure the welfare mother's voice is heard.

Those who push the idea of electronic democracy are those who think they will profit from it. It's not all that new; it's just a new chapter in an old struggle.

The Washington Post



LETTERS TO THE EDITOR

Future NATO Allies

Regarding "Expand NATO Only When and If the Russians Make It Necessary" (Opinion, Jan. 18) by Michael E. Brown:

This article seems to be another in a series by those who have lost the battle on NATO enlargement and now argue for a "wait until it's too late" approach to re-establishing historical East-West security links. If Russia today grumbles about expansion of the North Atlantic Treaty Organization, would not a menacing Russia of the future react to NATO at its border, and not just with words?

Russia accepts the principle of NATO enlargement; indeed President Boris Yeltsin has even suggested that Russia become a political member of NATO.

All Russia seeks is that this process be transparent and measured, which it will be, that it contribute to overall security, which it will, and that Russia and NATO cooperate as equal partners.

Russia can be further reassured if arms control agreements are adapted as NATO enlarges. Russia's present frontiers are sanctioned, the Organization for Cooperation and Security in Europe is developed into a collective security system (a process already launched at the Budapest summit last month), and the West makes good on its pledges of technical and fi-

nanial assistance. NATO enlargement and NATO-Russian partnership go together.

The NATO governments have wisely chosen, so we hope, to bury the legacy of the Cold War. President Bill Clinton stated on Jan. 13 in Cleveland that the expansion of NATO, a defensive alliance, is inevitable. The argument is over, and we should work to ensure that all necessary assistance is provided to future NATO allies instead of thinking of new ways to return to Yalta.

JOHN BORAWSKI
MICHAEL KIRST
Brussels.

A Right to Parenting

Regarding "Time for Some Victorian Ideas" (Opinion, Jan. 17) by Gertrude Himmelfarb:

Hoping that the article would fittingly constitute a scathing analysis of America's newest expert on child care, Newt Gingrich, I could not believe my eyes when I read this defense of orphanages. There have been more criminals bred in "orderly public houses with clean floors and shoes lined up in military formations" than in homes where at least one loving and caring parent — no matter how poor — was present.

Should human beings in the United States really have to be degraded as recipients of charity instead of enjoying the right to be fed,

taught and taken care of until they can fend for themselves and contribute to society? The House speaker and his disciples should be frightened of the armies of broken and furious "graduates" of orphanages that will descend upon him and his, as soon as they are big and strong enough.

THERESA MILLER
St. Gallen, Switzerland.

Treatment of Atrocities

Regarding "Aftershocks of Fighting in Ex-Yugoslavia" (Jan. 10):

I was somewhat bewildered by this report on counseling for war veterans. Surely those among them who have been perpetrators of atrocities require war crimes trials rather than therapy.

F. OLIVER
Newlyn, England.

When Cruelty Is Legal

The British Agriculture minister justifies the cruelty involved in exporting calves to be penned in veal crates on the Continent and sheep to abattoirs all over Europe because it is "legal." So was slavery. As experts in opting out of European Union rules, British officials must opt out of this iniquitous trade.

PHILIP GREIG
Swindon, England.

An Old-Fashioned Belief In the Relevance of Faith

By Colman McCarthy

WASHINGTON — Of all the places, worldly and sacred, in which Rose Kennedy spent time, few meant more to her than St. Francis Xavier Catholic Church in Hyannis Port on Cape Cod. A short walk from the large white house

a youngster in a convent school, was chosen by the nuns to be "a child of Mary." She lost four children in premature deaths — two in plane crashes, two to assassins.

Joseph P. Kennedy Jr. was the first to be killed, at age 29 during World War II when his plane exploded over the coast of England in August 1944. Rose Kennedy's grief lasted for months, with no consolation able to ease it until a resurgence of faith took hold.

"As soon as I fully accepted that God had his reasons for taking Joe, I began to recover. And my recovery was speeded by all the wise and wonderful letters I received from various priests and nuns I had known over the years."

Rose Kennedy, one of six children and the mother of nine, had the financial security that the wealth of her husband provided. But had it not been there — the maids, cooks, nannies, roomy mansions, ocean liners for trips to Europe — it probably wouldn't have altered her fidelity to God in any way. She can be taken at her word:

"I have come to the conclusion that the most important element in human life is faith. If God were to take away all his blessings — health, physical fitness, wealth, intelligence — and leave me but one gift, I would ask for faith. For with faith in Him, in His goodness, mercy, love for me, and belief in eternal life, I believe I could suffer the loss of my other gifts and still be happy — trustful, leaving all to His inscrutable Providence."

It is not always fair to judge parents by the kind of lives their children choose. But the maternal guidance of Rose Kennedy — her insistence on service — can be seen today in the humane politics of Senator Ted Kennedy, the innovative work of Eunice Shriver for the mentally retarded, the creativity of Jean Smith and her program Very Special Arts.

Were Rose Kennedy's children perfect? No. Whose are? But their lives of public service stand out in an age of self-promotion.

At the funeral Mass in Boston on Tuesday, one of the grandchildren read this prayer: "In thanksgiving for our forefathers and foremothers; for those who gave Grandmother life, joy, wisdom, strength, faith; for Irish poets and patriots; for pilgrims and statesmen; for priests and sisters; for all who held her hand throughout her life in faith, we pray to the Lord."

Rose Kennedy's was a life to be celebrated, not mourned.

The Washington Post



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Tokyo Assumes Bulk of Quake Repair Bill



A mother and daughter passing by the rubble of a two-story house in Kobe on Tuesday.

Wood Is Found in Pillars of Bullet Track

TOKYO — Pillars under a section of the bullet-train line damaged in last week's earthquake in Kobe contain wood, which may have weakened them, it was reported Tuesday.

Moscow to Charge Hijackers

MOSCOW — Three Iranians extradited from Norway arrived in Moscow on Tuesday to face charges of hijacking an Aeroflot airliner from southern Russia to Norway in 1993.

The Kyodo news service quoted unidentified sources in the construction sector of the West Japan Railway Co. as saying that four or five pillars appeared to contain lumber and other pieces of wood.

The high-speed train, or *shinkansen*, lines were damaged at 36 places over a length of about 90 kilometers (55 miles) during the Jan. 17 quake, which killed more than 5,000 people.

One link between Tokyo and Osaka has been restored to service. But repairs along the tracks west of Osaka are expected to take four months.

Construction Ministry officials said they would survey the buckled pillars, which were apparently found in the Kobe suburb of Nishinomiya.

Motohiko Hukuno, an earthquake engineer, was quoted as saying that the wood would not affect the pillars under normal circumstances, but could cause breakage under abnormal strain.

Survivors can receive low-interest loans to rebuild homes and businesses as well as credits on their 1994 income taxes.

The Health Ministry relaxed restrictions on foreign doctors. It said volunteer physicians could treat quake victims without Japanese medical licenses.

But those measures did little to stem the tide of criticism of Mr. Murayama and his government over its initial laggard response to the crisis.

"What were you thinking of?" one opposition delegate, Akira Kuroyanagi, shouted at the prime minister in a Parliament session Tuesday. He demanded that Mr. Murayama apologize to the nation "for the suffering of the people."

The prime minister offered no apology.

Compiled by Our Staff From Dispatches

KOBE, Japan — The Japanese government declared Kobe a disaster area Tuesday, effectively shouldering most of the cost of rebuilding infrastructure destroyed in the massive earthquake that hit the region a week before.

But opposition members of Parliament denounced the government for its performance in the aftermath of the Jan. 17 quake and called on Prime Minister Tomichi Murayama to resign.

Faced with 307,000 people made homeless by the quake, Tokyo also announced tax breaks and plans for prefabricated temporary housing.

One week after the quake, the death toll stood at 5,063, with 68 still missing. Another 26,500 people were injured and more than 56,400 buildings damaged or destroyed.

Electricity has been largely restored, but more than 633,000 households still lack water and nearly 856,000 have no natural gas. The official in charge of restoring Kobe's water supply jumped out of a fourth-story window in an apparent suicide Monday, police said Tuesday.

Still, conditions here have been steadily improving. Banks and most supermarkets have reopened. Gasoline stations and about half the schools are operating again.

By declaring Kobe a disaster area, the government will pay about 90 percent of the costs for rebuilding roads, schools and other infrastructure. Local officials have estimated those costs at 5.84 trillion yen (\$58.7 billion), excluding the costs of restoring gas, power and water.

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(AP, Reuters)

China Stumbling on Rights, U.S. Says

Agence France-Presse

WASHINGTON — China's human rights situation has worsened since the United States renewed Beijing's trade preferences eight months ago, according to a senior State Department official.

While China has not improved freedoms of speech, association and religion, or its treatment of prisoners, there also have been reports of arbitrary jailings of Asian businessmen due to commercial disputes, said Assistant Secretary of State John H. F. Shattuck, who recently returned from a three-day visit to China.

"What we see is the arbitrary authority of the government, which can violate civil and political rights in a human rights context, also can be severely damaging to basic commercial activities," Mr. Shattuck said.

President Bill Clinton's administration likely will face criticism for defending its stand on maintaining China's most-favored-nation trade status when its standing comes up for renewal this year.

Mr. Shattuck said that during his visit he also broached the issue of the "proba-

bly thousands" of political prisoners in China and recent tough sentences for dissidents.

The Clinton administration does not intend to lift the remaining U.S. sanctions on Beijing, imposed after the 1989 crackdown on pro-democracy demonstrators, Mr. Shattuck said.

But last spring, Mr. Clinton dropped his demand that China make significant progress on human rights in exchange for the special trade status, which offers Chinese goods low U.S. tariffs.

Democratic administrations, never materialized.

Under the agreement, North Korea froze work on its nuclear program, halting construction of two nuclear reactors and shutting down a third. The North Koreans also agreed to eventual inspections.

In exchange the United States agreed to supply oil to North Korea, and South Korea and Japan are promising (a) finance construction of two light-water nuclear reactors.

Mr. Perry recalled the tense period when North Korea was defying international demands for inspection of its nuclear facilities. He noted that the

of the Senate Foreign Relations Committee.

Mr. Perry and Secretary of State Warren M. Christopher responded to senators concerned about whether North Korea could be trusted to keep its end of the bargain.

It was the first appearance by both cabinet secretaries since the committee passed to Republican control and the chairmanship of Senator Jesse Helms, Republican of North Carolina.

Whatever fireworks they expected from Mr. Helms, a nemesis of the State Department during Republican as well as

U.S. Officials Defend North Korea Pact

The Associated Press

WASHINGTON — Senior Clinton administration officials defended the nuclear agreement with North Korea on Tuesday, saying a probable alternative was a war costing billions of dollars and involving hundreds of thousands of U.S. troops.

Defense Secretary William J. Perry said that he rejected the option of a military strike against North Korean nuclear facilities.

"I can tell you flatly that we know how to do that, but on consideration, I did not recommend that course of action to the president," he told a hearing

Pyongyang regime had an army more than 1 million strong, two-thirds of it poised along its border with South Korea.

The defense secretary said he recommended "that we invoke sanctions, a robust program of sanctions on North Korea, to put economic pressure on them, and secondly, we augment our military forces in Korea." The United States has about 37,000 troops in South Korea.

If the North Koreans took military action, said Mr. Perry, "that would involve the deployment of hundreds of thousands of U.S. troops, and that would involve a full-scale — full-scale — war."

Secretary-General Butros Butros Ghali sent out appeals to 60 governments, including the United States, for troops or equipment for the peacekeeping mission. He did not receive a single positive response, UN officials said.

His staff then devised a more limited plan that called for Zaire to provide 2,000 soldiers to be trained and supervised by a few dozen UN officers. But no government was willing to provide troops even for this small corps, UN officials said.

This week, Mr. Butros Ghali will propose a last-ditch plan to the Security Council for the use of 2,000 Zairian troops assisted by a small group of civilian advisers from the UN High Commissioner for Refugees.

Mr. Butros Ghali urged the Security Council in November to dispatch at least 5,000 UN

peacekeepers to set up secure areas within the camps to break the grip of gunmen from the former Hutu government in Rwanda who had seized control of the distribution of relief supplies.

Many international relief agencies, outraged that their assistance was being used to strengthen the Hutu forces who had unleashed the massacres of Tutsis last year, stopped their work in the camps.

When the killing erupted in April 1994, governments quickly pulled out the 5,500 UN troops stationed in Rwanda and only recently restored the UN force. The United States supported the pullout and was reluctant to redeploy UN peacekeepers until the fighting ended. But the Clinton administration spent \$220 million and sent 2,300 U.S. troops to assist 1.2 million Hutu refugees who rushed into Zaire after the government changed hands.

"Without troops who can break the grip of the killers, the world will just be helping them prepare the next genocide," said Alain Destexhe, secretary general of Doctors Without Borders, a relief group that has pulled its workers out of two camps in Zaire.

By Julia Preston
Washington Post Service

UNITED NATIONS, New York — The United Nations has given up efforts to raise a multinational peacekeeping force to protect 1.2 million Rwandan refugees in camps in Zaire, according to UN officials and diplomats.

Secretary-General Butros Butros Ghali sent out appeals to 60 governments, including the United States, for troops or equipment for the peacekeeping mission. He did not receive a single positive response, UN officials said.

UN Drops Effort for Rwanda Refugees

Plea for Troops to Police Camps in Zaire Is Turned Aside

By Julia Preston
Washington Post Service

Secretary-General Butros Butros Ghali sent out appeals to 60 governments, including the United States, for troops or equipment for the peacekeeping mission. He did not receive a single positive response, UN officials said.

His staff then devised a more limited plan that called for Zaire to provide 2,000 soldiers to be trained and supervised by a few dozen UN officers. But no government was willing to provide troops even for this small corps, UN officials said.

This week, Mr. Butros Ghali will propose a last-ditch plan to the Security Council for the use of 2,000 Zairian troops assisted by a small group of civilian advisers from the UN High Commissioner for Refugees.

Mr. Butros Ghali urged the Security Council in November to dispatch at least 5,000 UN

Muslims Defy Paris Scarf Ban

Reuters

PARIS — Almost 400 girls are still wearing Islamic head scarves in French schools despite a 1994 government ban, and schools have until June to enforce the ruling, Education Ministry officials said Tuesday.

Education Minister François Bayrou told principals to eradicate "ostentatious religious symbols" from secular state schools last September as part of a crackdown on Muslim fundamentalism.

A total of 115 girls have been expelled for refusing to take off their head scarves, officials said, while 374 girls continue to defy the ban, down from 2,000 in September. Resistance has been strong in Strasbourg, Lille and Versailles.

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The Motive Was Jealousy, Simpson Prosecution Says

Continued from Page 1

LOS ANGELES — In their opening statement, prosecutors in the O.J. Simpson case on Tuesday said that the former football star and actor killed his former wife because "he couldn't have her" and murdered her friend because he got in the way.

Deputy District Attorney Christopher Darden, in a court session broadcast live around the world, described Mr. Simpson as "a batterer, a wife-beater, an abuser, a controller" who terrorized his former wife in a 17-year "cycle of violence" and finally killed her in a jealous rage.

"The answer to the question is 'yes,'" Mr. Darden said. "O.J. Simpson murdered Nicole Brown and Ronald Goldman."

The chief prosecutor, Marcia Clark, who shared the opening statement with Mr. Darden, said that on the night of the June 12 murders, Mr. Simpson's whereabouts for more than an hour were not accounted for.

Ms. Clark said testimony would show that on that night, Mr. Simpson "was in an ugly mood, morose, depressed and clearly fixated on his wife."

With the prosecution's opening statement, the trial began in earnest in a case that has gripped the public for seven months, ever since the stabbed and slashed bodies of Mrs. Simpson and Mr. Goldman were found outside her condominium.

Mr. Simpson looked stunned when Mr. Darden spoke about stalking and intimidation. He raised his eyebrows and shook his head, then took notes on a tablet. At one point, he leaned over and said: "That's a lie."

Mrs. Simpson's mother, Judith Brown, wept openly. Other family members in the courtroom dabbed at their eyes at times.

Mr. Darden acknowledged Mr. Simpson's public image as a football hero, actor, and advertising personality.

"We will look behind the public face," Mr. Darden said. "The face you will see and the face that you will see is the face of a batterer, a wife-beater, an abuser, a controller."

Mr. Darden described Mr. Simpson as "an extremely controlling, possessive man" who dominated Mrs. Simpson in a variety of ways since they met when she was still a teenager.

He controlled her spending and called her "a pig" when she was pregnant, Mr. Darden said.

He said that Mr. Simpson "didn't kill her because he didn't love her anymore, because in his mind he did."

"He killed her because he couldn't have her," Mr. Darden said, "and if he couldn't have her, he didn't want anyone else to."

"By killing her, he committed the ultimate act of control," he said. And, he added, "he killed Ron Goldman because he got in the way."

Earlier Tuesday, Judge Lance A. Ito turned down Mr. Simpson's request to address the jury

directly during his side's opening statements but ruled that he could show jurors scars on his knees.

The scars would presumably illustrate how old football injuries would have hindered his ability to overpower two people and stab them to death. Judge Ito made the ruling with little comment, after Mrs. Clark denounced the defense's proposal as "a blatant attempt to impress the jury with his charisma and star appeal."

The defense attorney, Gerald Uelmen, told Judge Ito that Mr. Simpson wanted to introduce himself and his lawyers and "simply reiterate his plea of not guilty."

He argued that it would "focus the attention of the jury back where it belongs in the midst of all this hoopla — and that is on the defendant."

Mr. Simpson's recently produced exercise videotape, "O.J. Simpson: Minimum Maintenance Fitness for Men," shows him playing basketball, doing aerobics and performing push-ups on a desk.

(AP, Reuters)

QUAKE: The Rich Fared Better

Continued from Page 1

homeless that so many rich people came through unscathed. The chasm between rich and poor in Japan is narrower than in many societies, and a full 80 percent of Japanese identify themselves as members of the middle class.

Yet, income gaps exist, and they are reflected in the homes people live in. While buildings of all kinds collapsed, by far the greatest number were old traditional Japanese wooden houses with heavy tile roofs.

Poor people, and especially the elderly, were most likely to live in these old wooden houses.

The wealthy were more likely to have built newer homes, and to spend more on better-quality construction. In addition, the affluent tended to have larger rooms and often slept on beds, while poorer people slept on futons on the floor of tiny rooms, so that a falling wardrobe was almost sure to hit them.

There has been no study comparing incomes with mortality rates in the earthquake, but the Yomiuri Shimbun, a

Japanese daily, did examine the ages of the victims. It found that more than half were over the age of 60, presumably because they were in more fragile health and also because they often lived in older homes.

In the shelters for victims of the quake, the homeless often speak working-class Japanese and seem to be overwhelmingly less educated and less affluent than the population at large. While wealthy people were sometimes forced to stay in shelters for the first night or two, they have since fled to other cities to stay in hotels or with friends and relatives.

"The rich have good houses, but we're ordinary people," explained Setsuko Kawahigashi, a 54-year-old snack-shop owner living in a shelter in Ashiya. "Lots of the rich folks had second houses, so they moved into those. And some of the rich have already bought new apartments. I heard of somebody who bought a new apartment on the day after the earthquake. They've already moved in, and they've got running water there and everything."

CLINTON: A Sense of Humility

Continued from Page 1

Stephanopoulos, was even more blunt. "Everything we talk about now is in danger," he said.

And the ironic legacy of two years of a renewed commitment to government activism is more public hostility and doubt than ever about the role of government and whether it serves as an effective force for change. Now, the administration finds itself competing with Republicans to convince voters of its fundamental commitment to cut government and spin off federal authority to the states.

For the administration, the challenge lies in convincing a public more aware of its failures than its accomplishments that the programs it has put in place are worth saving.

Some officials hold out the hope that the administration, in fighting cuts in its programs, will be able to do what it could not while putting them into place: educate the public about what it has done.

"In defending the gains of the first two years, we may send a clearer message than we did achieving the accomplishments in the first place," Mr. Stephanopoulos said.

The list of the administration's accomplishments is quite long, at least for the time being.

• After years of growing federal deficits, the Clinton economic package embraced by Congress in 1993 reduced the federal deficit by a projected \$500 billion over five years. Altogether, the deficit has fallen from the \$290 billion of 1992 to \$203 billion for fiscal 1994.

• The working poor have a

new tax break that returns money to 15 million families, while the wealthiest Americans pay more in taxes.

• The major trade pacts, the North American Free Trade Agreement and the General Agreement on Tariffs and Trade, are now law.

• Years of Republican policy on such issues as abortion rights and gun control have been reversed.

• At the Pentagon, there has been a dramatic shift away from traditional Republican opposition to "industrial policy," with a new focus on helping defense contractors retool for the post-Cold War world by converting defense technology to civilian use.

• The Education and Labor departments have joined forces in a program designed to help students who are not college bound obtain the kind of skilled jobs that the administration views as crucial to success in a high-tech world.

• The departments of Agriculture and Housing and Urban Development have selected the nation's first "empowerment zones," making nine economically depressed communities eligible for millions of dollars in federal grants and tax breaks to stimulate economic activity.

• The Justice Department is beginning to distribute \$9 billion in federal funding to help communities across the country hire 100,000 police officers.

But those initiatives have been overshadowed by the administration's failures, both policy setbacks and the toll from distractions such as the Whitewater investigation, other



LAST RESPECTS — Mourners outside St. Stephen's Church in Boston listening to Senator Edward M. Kennedy speaking over loudspeakers at the funeral Tuesday of his mother, Rose Fitzgerald Kennedy, who died on Sunday.

allegations of personal wrongdoing and continuing personnel upheavals.

On a policy level, the Interior Department's bold bid to rewrite federal grazing and mining laws was stymied by opposition from Western states. Other parts of the administration's environmental agenda also died in Congress, including revisions to the Clean Water Act, reauthorization of the safe drinking water law and overhaul of the Superfund law to clean up toxic waste sites.

And, in a defeat that outweighs all others, the administration was forced to give up on the effort to which it devoted most of last year: achieving comprehensive reform of the health-care system.

MEXICO: Warnings Signs Couldn't Ward Off Crisis

Continued from Page 1

ami, the first meeting of nearly all Latin American leaders in almost three decades, to praise Mexico's economic management as a model for the region's growth. He and his deputies issued no warnings that Mexico was consuming too much too fast, or letting its debt grow too rapidly.

Asked why the president offered no public words of caution, the White House press secretary said, "The president's public comments have always stressed the fundamental strength of the Mexican economy and the commitment of the

Mexican leadership to economic and political reform."

But a senior White House official added: "There was a great deal of sensitivity, as the Zedillo administration came to office, about not undercutting the very delicate situation they faced as they tried to form a government, so there was a very conscious effort not to be too heavy-handed. All these sovereignty issues are very sensitive."

Mr. Zedillo, an economist, contributed to the atmosphere of unbridled optimism. On Nov. 23, just before his inauguration, he talked in Washington of 1995 economic growth "at 4 percent or better, and soon 5

percent, which we need to generate a million new jobs a year."

Now he will be lucky if his economy posts any growth this year and if the number of jobs does not shrink. At the same time, the White House is warning that unless the crisis is resolved, nearly a half-million Mexicans seeking higher wages will enter the United States.

In the aftermath of the Mexican debacle, officials in both Washington and Mexico are spinning tales of what went wrong.

The CIA, for example, issued a brief warning in July that Mexico was depleting its foreign currency reserves to keep up the value of the peso.

Missing Pilot and Son Are Rescued in Turkey

The Associated Press

ANKARA — A U.S. Air Force pilot and his 10-year-old son who disappeared while skiing were found alive Tuesday, surviving nine days in freezing wilderness by holing up in a cave and eating snow.

Lieutenant Colonel Michael Ronald Couillard, 37, and his youngest son, Matthew, were last seen Jan. 15 on a ski lift at the northern Turkish resort of Kartalkaya, 110 kilometers (70 miles) from Ankara, where the officer is assigned.

Complicating the drama was a claim, almost immediately discounted by authorities, that the two had been kidnapped. A caller who said he represented a previously unknown group, the Lebanon Freedom Fighters, said last week that the Americans had been abducted and would be killed unless Israel released a Shiite Muslim leader from prison.

The chief physician at Bolu state hospital said that both father and son were conscious, but that their feet were swollen from frostbite.

Guner Ozmen, acting chief of national security, said that Col-

onel Couillard and his son had spent eight days in a cave after losing their way in a blizzard. The cave was some five kilometers from the resort.

Colonel Couillard went in search of help, walking about a kilometer until he found an unheated cottage in a state-forestry camp. After a day in the cottage, the pilot was found by forest workers.

African Group Targets Non-Paying Members

Reuters

ADDIS ABABA — The governing council of the Organization of African Unity called for sanctions on Tuesday against 28 OAU member states unless \$79 million in back membership dues are paid by June 1. The sanctions would include loss of voting rights.

Founded in 1963 to promote development across the African continent and to coordinate economic and social policy, the OAU in recent years has been forced to cut programs because of lack of funds.

TERROR: U.S. to Freeze Assets

Continued from Page 1

of the Popular Front for the Liberation of Palestine; Ahmed Jibril, leader of the Popular Front for the Liberation of Palestine-General Command, and Abu Nidal.

M. T. Mehdi, chairman of the New York-based National Council on Islamic Affairs, was quoted by The Associated Press as calling the move "cosmetic" and saying that most funds raised in the United States for Arab and Islamic causes in the Middle East went for schools, hospitals and other social needs.

"I would say that not more than 5 to 10 percent is used for military purposes," Mr. Mehdi said.

The president's order was the culmination of efforts begun last fall after a wave of bombings in Israel attributed to Hamas, the nationalist Palestinian group vying for authority in the occupied territories with Yasser Arafat's Palestine Liberation Organization.

In his State of the Union address Tuesday night, Mr. Clinton was expected to cite the devastating bomb attack in Israel this week as further evidence of the need to attack the roots of terrorism.

In a speech on Friday, Mr. Christopher laid the groundwork for the president's announcement. The secretary called on other nations, particularly Russia, China and France, to avoid helping Iran develop nuclear technology. And he declared that economic ties to Tehran abetted Iran's support for terrorism.

Israeli experts believe that Iran is supplying tens of millions of dollars to Hamas and that further support has come from wealthy individuals and some Gulf Arab states.

The Arab groups named by the White House were listed as Hamas, Hezbollah, Jihad, Abu Nidal Organization, the Democratic Front for the Liberation of Palestine, the Palestinian Islamic Jihad-Shiqaqi faction, the Palestine Liberation Front, Islamic Gama'at, the Popular Front for the Liberation of Palestine, and the Popular Front for the Liberation of Palestine-General Command.

The White House also released 35 variants and aliases of organizations and individuals.

■ Arafat Welcomes Freeze

Mr. Arafat praised the U.S. asset freeze, Reuters reported. "I do appreciate this decision," he said in Gaza.

ISRAEL: Calls for 'Separation'

Continued from Page 1

to come in the West Bank. But it has been a messy parting thus far. Not only is the couple still sharing the same house but their cohabitation arrangements are also complicated; the Palestinians' two rooms, Gaza and Jericho, are not even connected.

The patchwork of Israeli settlements across the West Bank makes separation all the more complex. And economically the partners continue to depend on each other. Tens of thousands of Palestinians feed their families through low-paying jobs in Israel, and many Israeli contractors and farmers have yet to wean themselves from this cheap labor.

Within hours of the latest bomb attack, the Rabin government followed a familiar pattern and ordered the borders closed, keeping these working Palestinians at home and frustrated. If the past is a guide, though, the labor flow will resume sooner or later — until the next time.

For their part, Palestinian political leaders say separation would be fine with them if it were based on mutual consideration and equality. Instead, they complain, Israel opens and

shuts the borders as it sees fit, and looks upon fences and security systems through the eyes of an occupying force.

Nabil Shaath, the chief Palestinian negotiator with Israel in peace talks that have been on hold since Sunday, said in Gaza on Tuesday that separation was acceptable if it came with the creation of a full Palestinian state, something Israel opposes.

So with the couple likely to maintain their painful relationship for a while, attention also turned Tuesday to cracking down on militant Muslim groups in the territories: Hamas and Islamic Holy War, which took responsibility for the bombing on Sunday at a gathering point for Israeli soldiers in central Israel.

Israeli forces raided mosques and offices in several West Bank towns, arresting about 60 accused militants, according to Israel Radio. In Hebron, a spokesman for the Palestinian Islamic Society, a clerical group, said that soldiers had broken in, seized books and equipment and handed him an order to close the offices for six months. The army called the society a Hamas-linked group fomenting anti-Israel actions.

GERMANY: Reunification Is Likely to Remain the Major Preoccupation

Continued from Page 1

ment coalition now has a majority of only 10 seats in the 600-member lower house of Parliament.

In effect, he can govern only with the consent of the Social Democratic opposition, which holds a majority of the seats in the upper house, and the Social Democrats are skeptical about throwing Germany's weight around in the North Atlantic Treaty Organization or the United Nations.

Despite a ruling by the German constitutional court last summer allowing German military participation in NATO and in UN peacekeeping missions, a high-ranking U.S. official said recently, "Germany is not able, at the moment, to play a leading role in reconfiguring the alliance to enable it to respond to the new challenges of the post-Cold War era."

The central problem of reunification is clearly demonstrated in the latest official unemployment figures. In what used to be West Germany, the Federal Labor Office reported, the unemployment rate climbed to 8.2 percent last month, and in what used to be East Germany, it rose to 13.5 percent.

The Labor Office does not calculate a national rate. But the Organization for Economic Cooperation and Development in Paris says that unemployment in all of Germany last year averaged 9.6 percent, a 45-year high.

"The reason we keep two sets of books is that the two economies are not comparable," said Eberhard Mann, a spokesman for the Labor Office. "We have a developed industrial economy in the West, and a collapsed Communist economy in the throes of transition in the East."

Life for Eastern Germany's 16 million people today bears no resemblance to what it was before 1989, in part because of a net annual transfer of \$100 billion from the richer West, paying to help retrain workers, rebuild decrepit telephone and transportation systems, restructure bankrupt state enterprises, and raise wages and social benefits to Western levels by next year.

"Everything has changed for the people here in the East, from the social security system to the tax system, the rent system, the school system, everything you can imagine," said Birgit Breuel, who was the head of the agency in charge of privatizing Eastern Germany's economy, which wrapped up its operations last month.

"You probably can't imagine how difficult it is to have everything you were familiar with change overnight," said Jutta Richter, a Leipzig resident. She used to go to the supermarkets and pick up whatever brand of soap happened to be in stock. Now, she says, she has to figure out which of 10 brands is the best buy.

Her husband, Adi, is a semipro tennis player well known in the East. "Since reunification, not once has any Western German magazine spelled my name right or correctly identified my team," he said. "I'm convinced it's deliberate — they just

don't want to recognize that we can play tennis over here, too."

He feels out of place in the posh western neighborhoods of Berlin, green streets lined with expensive villas in Dahlem and Wannsee.

"The eastern part of the city is gray, run-down, and smells of coal smoke, but it's more like home to me," he said. And at least there he doesn't have the feeling that the people looking at him wonder how closely he collaborated with the secret police in the old days.

But most of the 64 million people in Western Germany seem to believe that reunification did not really mean much change at all for them.

The Germans who were rejoicing triumphantly in the streets in 1990 have been sullen and resentful since. Many Western Germans — "Wessis" — resent having to pay to bring the East up to date. A lot of people in Eastern Germany — "Ossis" — feel patronized.

The diplomats and scholars who know them best have no doubt that the Germans will make unification work. But it will probably take a generation until the Germans in both parts of the country feel that they are truly one.

In the meantime, in Leipzig, where the people marched peacefully five years ago chanting "We are one people," they now tell wry jokes about it.

"We are one people," says the easterner. "Us too," says the other.

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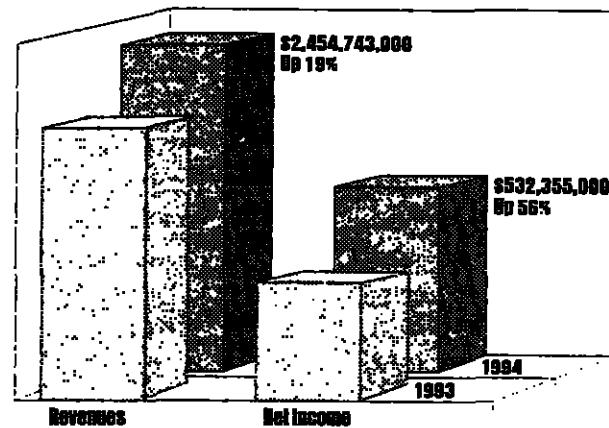
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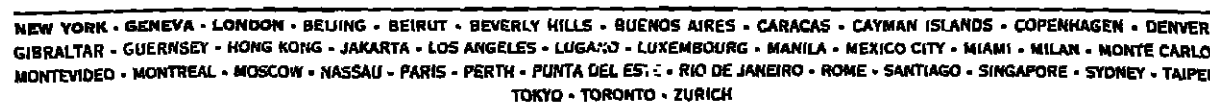
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MARKET DIARY

Interest Rate Jitters Hold Stocks Back

Compiled by Our Staff From Dispatches

NEW YORK — Stocks finished mixed Tuesday as prospects for the Federal Reserve Board to raise interest rates next week overshadowed signs of stability in overseas markets. The Dow Jones industrial average closed 4.71 points lower, at 3,862.70, but advancing is-

U.S. Stocks

U.S. stocks led declines by a 4-to-3 ratio on the New York Stock Exchange.

While strong corporate profits underpinned the market, many investors fear that earnings could be clipped in the future because of rising interest rates.

The Federal Reserve's policy-making Open Market Committee is set to meet Tuesday, and the central bank is widely expected to raise rates.

The price of the benchmark 30-year Treasury bond finished at 95 1/32, down 6/32 point, for a yield of 7.92 percent, up from 7.90 percent Monday.

"The pendulum has swung back and forth on the rate hike question," said Ricky Harrington, vice president at Interstate/Johnson Lane. "That's putting a cap on any rally potential."

Telefonos de Mexico's Amer-

ican depository receipts slipped 1/2 to 35% in active trading as investors took positions before President Bill Clinton's State of the Union address Tuesday night. Mr. Clinton might use the forum to drum up support for a proposed \$40 billion loan-guarantee package for Mexico, analysts said.

Chrysler fell 1/2 to 46% after the company said the U.S. auto industry could be pushed into recession if the Fed raises interest rates again.

Intel climbed 1 1/2 to 71 1/2 after an analyst at Lehman Brothers Inc. repeated a buy recommendation, citing expectations for increased market share and steady profit margins.

Tellabs soared 3 1/2 to 54 1/2 after the maker of voice and data networking products released better-than-expected fourth-quarter earnings.

Cima Labs plunged 3/4 to 6 1/2 after the developer of drug-delivery methods said it expected its 1995 loss to exceed analysts' estimates.

The company cited plans by Pfizer to delay selling over-the-counter drugs using Cima's Orasol dosage technology until 1996, instead of this autumn, as previously planned.

(Bloomberg, AP)

Japan's Trade Surplus Gives a Boost to Yen

Compiled by Our Staff From Dispatches

NEW YORK — The dollar slipped Tuesday against the yen and other major currencies after a Japanese government report showed the country's trade surplus with the United States swelled to record levels last year.

The dollar closed at 99.750 yen, down from 99.805 yen Monday, and 1.5128 Deutsche marks, down from 1.5145 DM.

"People just got a bit too bearish on the yen," said Paul Lambert, an economist with UBS Phillips & Drew. "People have now revised their expectations."

The U.S. currency nevertheless was able to reclaim some ground lost during the day as dealers remained worried about Japan's ability to rebuild after the earthquake last week.

"There were conflicting factors that affected the market," said Tom Hoge, a trader at Bank of New York. He said the

trade numbers had "put pressure on dollar-yen" until "the market focus went back to the earthquake."

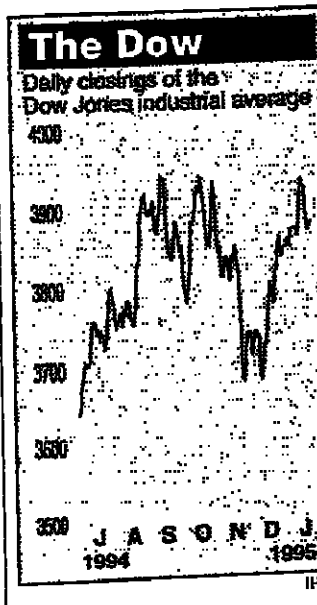
Some traders were also hesitant to take large positions ahead of the scheduled release Friday of a U.S. economic-growth report that is expected to be considered by the Federal Reserve when it weighs another rate increase next week.

Despite concerns about the earthquake, dealers said the dollar would probably be unable to gain against the yen as long as the trade imbalance remained large.

The dollar was also under-estimated in Europe by talk that Spain and Portugal were poised to sell dollars for marks to replenish their reserves.

Against other currencies, the dollar closed at 1.2713 Swiss francs, up from 1.2703 francs Monday, and 5.2340 French francs, down from 5.2425 francs.

(Bloomberg, Knight-Ridder)



NYSE Most Actives

Symbol	Vol.	High	Low	Last	Chg.
IBM	11,370	74 1/4	74 1/4	74 1/4	+1/4
Microsoft	10,500	54 1/2	54 1/2	54 1/2	+1/2
Intel	10,000	71 1/2	71 1/2	71 1/2	+1 1/2
Oracle	10,000	48 1/4	48 1/4	48 1/4	+1/4
Novell	10,000	38 1/4	38 1/4	38 1/4	+1/4
Compaq	10,000	38 1/4	38 1/4	38 1/4	+1/4
HP	10,000	38 1/4	38 1/4	38 1/4	+1/4
Motorola	10,000	38 1/4	38 1/4	38 1/4	+1/4
AT&T	10,000	38 1/4	38 1/4	38 1/4	+1/4
Verizon	10,000	38 1/4	38 1/4	38 1/4	+1/4

NASDAQ Most Actives

Symbol	Vol.	High	Low	Last	Chg.
Intel	11,370	74 1/4	74 1/4	74 1/4	+1/4
Microsoft	10,500	54 1/2	54 1/2	54 1/2	+1/2
Oracle	10,000	48 1/4	48 1/4	48 1/4	+1/4
Novell	10,000	38 1/4	38 1/4	38 1/4	+1/4
Compaq	10,000	38 1/4	38 1/4	38 1/4	+1/4
HP	10,000	38 1/4	38 1/4	38 1/4	+1/4
Motorola	10,000	38 1/4	38 1/4	38 1/4	+1/4
AT&T	10,000	38 1/4	38 1/4	38 1/4	+1/4
Verizon	10,000	38 1/4	38 1/4	38 1/4	+1/4

AMEX Most Actives

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IBM	11,370	74 1/4	74 1/4	74 1/4	+1/4
Microsoft	10,500	54 1/2	54 1/2	54 1/2	+1/2
Intel	10,000	71 1/2	71 1/2	71 1/2	+1 1/2
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Novell	10,000	38 1/4	38 1/4	38 1/4	+1/4
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HP	10,000	38 1/4	38 1/4	38 1/4	+1/4
Motorola	10,000	38 1/4	38 1/4	38 1/4	+1/4
AT&T	10,000	38 1/4	38 1/4	38 1/4	+1/4
Verizon	10,000	38 1/4	38 1/4	38 1/4	+1/4

Market Sales

NYSE	Vol.	High	Low	Last	Chg.
IBM	11,370	74 1/4	74 1/4	74 1/4	+1/4
Microsoft	10,500	54 1/2	54 1/2	54 1/2	+1/2
Intel	10,000	71 1/2	71 1/2	71 1/2	+1 1/2
Oracle	10,000	48 1/4	48 1/4	48 1/4	+1/4
Novell	10,000	38 1/4	38 1/4	38 1/4	+1/4
Compaq	10,000	38 1/4	38 1/4	38 1/4	+1/4
HP	10,000	38 1/4	38 1/4	38 1/4	+1/4
Motorola	10,000	38 1/4	38 1/4	38 1/4	+1/4
AT&T	10,000	38 1/4	38 1/4	38 1/4	+1/4
Verizon	10,000	38 1/4	38 1/4	38 1/4	+1/4

Foreign Exchange

Symbol	Vol.	High	Low	Last	Chg.
IBM	11,370	74 1/4	74 1/4	74 1/4	+1/4
Microsoft	10,500	54 1/2	54 1/2	54 1/2	+1/2
Intel	10,000	71 1/2	71 1/2	71 1/2	+1 1/2
Oracle	10,000	48 1/4	48 1/4	48 1/4	+1/4
Novell	10,000	38 1/4	38 1/4	38 1/4	+1/4
Compaq	10,000	38 1/4	38 1/4	38 1/4	+1/4
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Motorola	10,000	38 1/4	38 1/4	38 1/4	+1/4
AT&T	10,000	38 1/4	38 1/4	38 1/4	+1/4
Verizon	10,000	38 1/4	38 1/4	38 1/4	+1/4

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The group included the chairmen of Electrolux AB, Volvo AB, LM Ericsson AB, Sora Koppabergs Bergslags AB and Svenska Cellulosa Aktiebolaget AB. The letter was deliv-

Dow Jones Averages

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

Standard & Poor's Indexes

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

NYSE Indexes

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

NASDAQ Indexes

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

AMEX Stock Index

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

Dow Jones Bond Averages

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

NYSE Diary

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NASDAQ Diary

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Spot Commodities

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

Market Sales

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
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Foreign Exchange

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EUROPEAN FUTURES

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Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

Metals

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
Comp	1000.00	1000.00	1000.00	1000.00	-3.06

Financial

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
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3-MONTH EURO DOLLARS (LIBOR)

Index	Open	High	Low	Last	Chg.
Indus	3862.70	3862.70	3862.70	3862.70	-4.71
Transp	1200.00	1200.00	1200.00	1200.00	-1.32
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*In the "Airtrack 1994" study, which polled 2150 business passengers from 9 European countries, Swissair emerged overall winner of the 12 European airlines examined and top in 7 of 9 key areas. The results of the survey are available from Swissair on request.

Drug-Company Mergers in Vogue

By Milt Freudenheim

NEW YORK — The \$14 billion marriage proposal by Glaxo PLC to Wellcome PLC may not have been made in pharmaceutical heaven, but it does deal with a hard reality. Every day, it gets more difficult for the companies to stay single.

Glaxo is a victim of its own success with Zantac, the ulcer treatment touted as the world's best-selling prescription drug. Meanwhile, Wellcome is only medium-sized in drug industry terms, struggling against giants. But together, the British companies provide each other with complementary strengths in different market categories.

Analysts on Tuesday were already editing Monday's takeover proposal as a "done deal," dismissing denunciations by Wellcome's board, which

told shareholders to sit tight. The analysts said Glaxo might yet sweeten its offer, but they saw little chance of other bidders coming in.

The Glaxo offer is the latest in a string of drug mergers, and it has traders touting more takeover candidates.

"It enhanced the takeover price of Upjohn, Warner Lambert, Schering-Plough — you name it," said Neil B. Sweig, an analyst at Ladenberg, Thalmann & Co.

Zantac generated \$3.9 billion, nearly half of Glaxo's \$8.5 billion in 1994 worldwide sales, and a bigger share of its profit. Yet analysts said the drug's \$2.2 billion in U.S. sales were threatened on several fronts.

The United States' highest patent court is expected to rule soon on a challenge to the Zantac patents by Novopharm Ltd., a Canadian company that

has received conditional regulatory clearance to make a low-priced generic version. A U.S. district court upheld the patent in 1993, but the chairman of Novopharm, Leslie Dan, said such rulings had often been overturned on appeal.

But even if Zantac keeps its patent until 2002, as Glaxo predicts, it will still face steep price-cutting from generic versions of SmithKline Beecham's PLC's Tagamet, an ulcer treatment that recently lost its patent protection. Health maintenance organizations and other managed-care buyers are increasingly turning to the drug with the lowest price.

And the importance of expensive long-term treatments such as Zantac may also decline after the recent finding that peptic ulcers can often be cured by antibiotics.

"By buying Wellcome, Glaxo is diminishing the rela-

tive importance of Zantac," Mr. Sweig said. "And it is buying the No. 1 drug in the antiviral area" in Wellcome's Zovirax, a herpes treatment.

Competition Heating Up

Other developments Tuesday pointed to the health care industry's effort to become more efficient and responsive to customers in an increasingly competitive global market, news agencies reported.

In New Delhi, the U.S. pharmaceutical giant Eli Lilly & Co. announced a pair of joint ventures with India's Kanbaxy Laboratories to research, develop and manufacture drugs there for the American market. And in New York, American Home Products Corp. said it planned to eliminate 4,000 positions worldwide in 1995 as it digested the recently acquired American Cyanamid Co.

(AFP, Knight-Ridder)

Sales and Orders Lift Siemens Net

Compiled by the Staff From Dispatches

MUNICH — Siemens AG said Tuesday that an improvement in its domestic performance and in sales helped its first-quarter net income rise 8 percent.

Profit at Germany's largest electronic and electrical equipment company for the quarter ended Dec. 31 was 448 million Deutsche marks (\$297 million). Sales rose 7 percent, to 18.5 billion DM, and new orders increased 4 percent, to 22.2 billion DM.

The company said its results for the period were "burdened with high restructuring costs" and that almost all the sales growth was in the domestic German market, where sales rose 16 percent, to 8.3 billion DM. Foreign sales rose nearly 1 percent, to 10.2 billion DM.

Orders in Germany rose 5 percent, to 8.6 billion DM, compared with a 3 percent increase in foreign orders, to 13.6 billion DM.

Positive results had been expected by the market, but Siemens shares managed to close 4 DM higher, at 645, in Frankfurt trading.

"The favorable economy made it possible in the first three months of the fiscal year to expand business, including domestic business, for the first time in two years," Siemens said.

Separately, Siemens said it had added nine branches in Asia and the Pacific islands to help

expand its telecommunications business in emerging markets. Siemens said it expected sales in the region to grow 50 percent a year in the next three years, to reach more than 100 million DM.

Siemens said a regional office in Singapore would coordinate the activities of offices in Beijing, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Bangkok and Taipei.

(Blomberg, AFP)

IG Metal Warns of Strike

Germany's largest union, IG Metall, threatened strikes across Germany next week after employers declined to make a wage offer in talks in three regions, news agencies reported.

Second-round talks in the Hesse, Baden-Württemberg and Rhine regions ended with the employers refusing to make a counteroffer to the union's request for a 6 percent raise.

In response, the IG Metall board announced that strikes were planned in major German industries from next week.

Employers have called for lower starting wages and lower pay in some sectors, which they said would be one way to tackle long-term joblessness.

The threat of strikes came a day before industry and union leaders and Chancellor Helmut Kohl were due to meet in Bonn to try to secure or create jobs for the 3.6 million unemployed workers in Germany.

(Reuters, Bloomberg)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3300	2100
2200	3200	2000
2100	3100	1900
2000	3000	1800
1900	2900	1700
1800	2800	1600
1700	2700	1500
1600	2600	1400
1500	2500	1300
1400	2400	1200
1300	2300	1100
1200	2200	1000
1100	2100	900
1000	2000	800
900	1900	700
800	1800	600
700	1700	500
600	1600	400
500	1500	300
400	1400	200
300	1300	100
200	1200	0
100	1100	0
0	1000	0

Sources: Reuters, AFP

Very briefly:

- Fiat SpA, which owns 2.7 percent of the stock of Credito Romagnolo SpA, will accept Credito Italiano SpA's offer of 22,000 lire (\$13.88) a share, according to RAI television. Fiat is the first of Romagnolo's main shareholders to accept the offer.
- PolyGram NV said its first film hit, "Four Weddings and a Funeral," had more than 420 million guilders (\$348 million) in gross box-office receipts as of mid-January. In August, PolyGram said that the film, which was made for about 10 million guilders, had receipts exceeding \$100 million.
- French consumer spending on manufactured goods fell 0.7 percent in the fourth quarter from the previous quarter, when it was up 1.4 percent from the preceding period.
- Germany's car production rose 18 percent in the month of December from the year-earlier month, while production of trucks under 6 tons surged 56 percent.
- Computer Management Group Ltd., the Anglo-Dutch computer consultancy company, said it planned to list between 25 percent and 30 percent of its shares on the London exchange in April.
- Rover Group PLC, which was acquired by Bayerische Motoren Werke AG last year, said stronger export demand had boosted 1994 vehicle sales 11 percent, to 475,000 vehicles, the highest increase since 1989.

Reuters, Bloomberg, AFP

Glaxo's Plan Would Slash Costs — and Jobs

Reuters

LONDON — Glaxo PLC's planned takeover of Wellcome PLC could slash annual costs at what would be the world's largest drug company by more than £500 million (\$795 million) a year — and perhaps twice that.

But the price could be the loss of as many as 20 percent of its jobs as research and development, manufacturing and sales operations are merged or closed down, industry analysts say.

Picking over the details of Monday's £8.9 billion bid, analysts said Tuesday that Glaxo should be able to strip out costs of £600 million to £800 million over the next four years.

Steve Plog of NatWest Markets said

the savings could reach £1 billion. "We calculate the cost base will be about £5.7 billion, and there's a possibility they could take up to £1 billion off that," he said. "The only logic to this sort of deal is the ability to cut costs."

Those savings could offset the headache the merged group might face when its two top products — Glaxo's ulcer drug, Zantac, and Wellcome's herpes treatment, Zovirax — face generic competition in the U.S. market in 1997.

Peter Laing of Salomon Brothers Inc. estimated that the presence of cheap versions of both products could reduce revenue by £1 billion in the year ending June 30, 1998.

"The question is whether they can offset that loss by cost savings," he said.

"And the answer is that, yes, they probably can."

If the merger is approved and completed by June, Mr. Laing expects pretax profit for Glaxo-Wellcome PLC of £2.7 billion in the year to June 1996, rising to £3.0 billion in 1997 and holding flat in 1998 as generic competition bites.

Goldman Sachs sees pretax profit for the three years of £2.45 billion, £2.63 billion and £2.88 billion, respectively.

Job cuts in the 65,000-strong Glaxo-Wellcome work force could reach 10,000 to 15,000, analysts say. But this would represent only a part of the savings Glaxo could achieve.

"They can probably take out a maximum of £400 million in terms of employee cuts," one analyst said. "The rest will come from other fixed costs."

Solvay Swings Back Into Profit

Blomberg Business News

BRUSSELS — Solvay SA, Belgium's largest chemicals company, said Tuesday it returned to profit in 1994, boosted by sharp price increases for plastics and caustic soda, and expected the improvement in earnings to continue in 1995.

The company, which is the world's largest producer of soda ash, said net profit was 8 billion Belgian francs (\$256 million), reversing a loss of 6.9 billion francs in 1993.

Solvay, following the general trend in the chemicals industry, trimmed its work force by 14 percent since 1992. Its 1993 loss, the first in a decade, included a one-time charge of 3 billion francs to cover the costs of closing three plants.

Incentive AB to Sell Cardo

Reuters

STOCKHOLM — Incentive AB said Tuesday it would sell its Cardo AB unit on the Stockholm bourse Feb. 27, with 60 percent of the 30 million shares being offered to present Cardo holders and the rest to Swedish and international investors. The shares will be listed at between 77 kronor and 87 kronor (\$10 and \$12).

Report Points To Increase In U.K. Rates

Compiled by Our Staff From Dispatches

LONDON — A business survey released Tuesday added to the evidence that the British economy's growth was fast enough to force the Bank of England to raise interest rates.

The Confederation of British Industry's quarterly industrial trends survey for January showed a big jump in the outlook for export orders, but it also predicted price increases through May would come "at the sharpest rate since January 1990."

The data were "very strong," said Michael Burke, a Citibank economist. "They confirm the underlying strength of the economy. What will be of concern to policymakers will be the 33 percent of firms who want to raise prices. This fits in well with the picture of strong output growth and output price growth." He forecast a rate hike "in early February."

The report initially depressed stock and bonds, but they recovered, aided by a rising pound. (Reuters, Knight-Ridder, AFP)

Prudential Shares Drop 5% After Chief Executive Quits

Reuters

LONDON — Shares in Prudential Corp. dropped nearly 5 percent Tuesday, a day after the abrupt departure of Mick Newmarch as chief executive.

Prudential stock was the most actively traded issue on the London Stock Exchange on Tuesday, finishing at 295 pence (\$4.70), down 14.

Mr. Newmarch, who had long been at odds with industry regulators, said the relationship between the regulators and Prudential had become unacceptable.

His departure came a few weeks after regulators demanded that all life insurance agents disclose their commissions, the latest response to evidence that bad advice had been given to pension holders causing them to opt out of occupational and public pension plans and into personal ones.

Mr. Newmarch, who has maintained he steered Prudential clear of the controversy surrounding the pension plans, had already confronted regulators over a proposed inquiry into Prudential's pension sales practices.

In July, a leaked memo showed that he had tried to head off an investigation by regulators into the selling of pensions by the company.

The worry for Prudential is that the unplanned resignation leaves a gap at its top level at one of the most difficult times in its history. No obvious successor is waiting in the wings, and with regulators on the alert, whoever steps in will face an uphill struggle at a time of falling sales and consumer disillusion with life insurers.

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Japan's Surplus Grew 0.8% to Set A Record in 1994

Continued from page 14

TOKYO — Record imbalances with Asia and the United States pushed Japan's trade surplus up 0.8 percent last year, to a new high of \$121.2 billion, the Finance Ministry said Tuesday. But the surplus was larger in the first half than in the second and declined in yen terms for the second consecutive year.

"The first half of the year and the second half are quite different," said Fumio Tomori, a ministry official. "It appears that the surplus is moving toward shrinkage."

The surplus, up from \$120.2 billion in 1993, came despite slower growth in Japan's exports than in its imports. Exports grew 9.6 percent, to \$395 billion, with shipments to neighboring Asian markets accounting for two-thirds of the increase. Imports increased 14 percent, to \$274 billion, with manufactured goods accounting for a record 55.3 percent.

Japan's trade surplus with the United States, its biggest trade partner, grew 9.6 percent from 1993, to a record \$54.9 billion, while the imbalance with Asian countries expanded 15.1 percent, to \$61.7 billion, the fifth consecutive rise.

The imbalance with the European Union narrowed for the second year in a row, shrinking 16.2 percent, to \$22 billion. Exports to the EU edged up 1.9 percent, to \$57 billion, and imports from the EU jumped 17.6 percent, to \$35 billion.

In yen terms, the overall surplus shrank 7.1 percent, to 12.4 trillion yen (\$124 million), the second consecutive decline, as a result of the stronger Japanese currency.

Analysts say that if imports continue to pour into the country, as many economists predict, Japan's trade surplus may contract in 1995.

But it is still unclear how the earthquake that devastated

Kobe a week ago could affect the trend in the surplus, analysts said. One theory is that imports to the earthquake-hit region will drop as spending falls and some factories and offices remain idle for weeks.

But others say imports will rise as a rebuilding process gets under way. Exports from the region are likely to decline, at least in the short term.

Kobe, Japan's largest container port, is all but closed for international trade but alternative terminals and shipment routes are being secured for many exports and imports.

The fate of the surplus in dollar terms, the core of bilateral disputes with Japan's trade partners, hinges largely on how the dollar fluctuates against the yen.

"From now on, there may emerge a downturn even in dollar terms," said an economist at the Bank of Tokyo. "And that's if the exchange rate stays stable, at around the current level of 100 yen to the dollar."

A high yen pushes up the nominal value of Japanese exports in dollar terms.

(AFP, Bloomberg, Reuters)

U.S. Takes Lead in Autos
Japan's trade surplus with the United States took its title as the world's top automobile producer last year, giving the crown back to the United States for the first time since 1979, a Japanese industry association said Tuesday, news agencies reported.

The Japan Automobile Manufacturers Association said Japan's automobile output declined 6 percent in 1994, to 10.5 million units, compared with 12.3 million units produced by U.S. carmakers.

Output declined for a fourth consecutive year because of a fall in exports and an increase in overseas production in response to the yen's rise.

Japan moved ahead of the United States in vehicle production in 1980 and held the lead through 1993. (AFP, AP)

Traders Ponder Post-Deng Market

Continued from page 14

HONG KONG — Fears that economic reforms will crumble and that Asian markets will collapse when China's senior leader Deng Xiaoping dies have long cast a shadow over the region's extraordinary growth.

But analysts said Tuesday that the region's long-term prospects depended on a variety of factors.

A recent statement by Mr. Deng's daughter, the 90-year-old architect of China's economic reforms was steadily declining in health has convinced many that the end of the Deng era is near. And while it's a given among many Hong Kong fund managers that confirmation of Mr. Deng's death will send share prices into an immediate free fall, they say the trick is to figure out the market's subsequent move.

"There's always a move to a knee-jerk reaction," said Douglas Eu, who manages \$300 million in China and Asian funds for Jardine Fleming Investment Management. "But there's no magic number for the Hang Seng Index."

"It could be 5 percent, it could be 10 percent, but it will definitely fall because people will always be caught off guard by

the news," he added, referring to Hong Kong's benchmark stock index.

Benjamin Chen, managing director of the brokerage concern Barclays de Zoete Wedd's Taiwan office, said: "When Deng dies, Taiwan's stock market will react drastically by falling for several days. But if China does not show instability afterward, the market then will return to fundamentals whose strength will back up a strong rebound."

The conundrum is all about political succession in China and what impact, if any, it will have on the country's social stability and economic policies. Succession is on the minds of Chinese citizens and foreign investors alike, as the new leadership structure will decide the direction and pace of economic reforms that Mr. Deng began in 1979.

"Investors who are negative on the succession should be retreating from the market already," said Pauline Loong, who tracks China for Jardine Fleming Securities Ltd. "Investors who are positive should be positioning themselves accordingly."

Analysts said the current state of the markets made it easier to decide what to do when Mr. Deng died. With stocks

near multiyear lows, some say there is less risk in buying into a Deng-induced selloff than if stocks were reaching new highs.

Indeed, the Hang Seng China Enterprise Index, which tracks the shares of 15 state-owned Chinese companies traded in Hong Kong, has fallen 37 percent since the beginning of November. The drop has been fueled by concern that government loan restrictions have increased debt levels at many state firms.

And Hong Kong's benchmark Hang Seng Index of 33 shares has already plunged 14.5 percent this year, battered in part by unconfirmed reports that Mr. Deng had slipped into a coma.

Some fund managers are holding large cash positions of up to 20 percent in their portfolios, ready to buy shares once the initial sell-off they expect on news of Mr. Deng's death has subsided.

Jason Cheung, a China analyst at Merrill Lynch (Asia Pacific) Ltd., said of Mr. Deng's eventual death: "Obviously, in the short term, the market could be driven down 1,000 points. But it all depends on the investment horizon. China investors need to think long-term."

(Bloomberg, Reuters)

China Likely to Extend Carmaker Ban

Continued from page 14

SHANGHAI — China's ban on new foreign automaking enterprises might be extended until 1998 or 1999, the official China Daily said Tuesday.

Foreign carmakers had been hoping to get clearance to begin new passenger-car ventures in 1996, but the China Daily article said the ban was likely to be extended.

Beijing decided last year to ban new sedan and light-duty vehicle manufacturing projects through 1995, hoping the move would boost the country's flagging car components industry.

In the past, foreign automakers here were essentially importing car kits that Chinese workers then assembled. When Beijing and foreign automakers negotiated contracts, there was a stipulation that foreign components would eventually be replaced by locally made parts.

Mr. Li said he hoped the move would encourage foreign carmakers to build components in China instead. He characterized China's car industry as "without order" and said China needed to establish its own components industry before foreign carmakers could begin making their cars here.

Ford Motor Co. wants to build its Taurus sedan in China.

Mercedes-Benz AG and Volkswagen AG are two of the companies vying for permission to make government-sponsored "people's cars" that Chinese leaders hope will bring auto ownership to the masses.

But those plans may now have to be put on hold.

The automobile industry is expected to generate 1 trillion yuan (\$119 billion) in output by 2010.

Motorola Expansion Plan

Motorola Inc. plans to invest as much as \$1.5 billion to expand its operations in China. The Associated Press reported from Beijing, quoting the China Daily.

During the five-year program, the U.S. company plans to spend \$150 million to \$150 million on its paging division, said Jeff Dryanski, vice president and general manager of Motorola's Greater China paging subscriber division.

So far, Motorola has invested \$280 million in its wholly owned subsidiary, Motorola (China) Electronics Ltd., in Tianjin, a port city near Beijing.

The subsidiary's sales tripled last year to 2.56 billion yuan. Motorola has about 80 percent of the Chinese market for pagers, with the Tianjin factory turning out 1 million units last year.

Hong Kong to Remain A Hub, Beijing Says

King's-Ridder

HONG KONG — Shanghai will not replace Hong Kong as a financial hub after China regains control of the colony in 1997, but the Chinese city may provide more competition, an official report said Tuesday.

The Xinhua news agency quoted Gao Shanguan, deputy director of the Chinese Society for Research on Restructuring the Economic System, as saying, "Hong Kong's position as a world financial center will not be replaced," although Shanghai's economy has been growing at a rapid pace.

Agence France-Presse

NEW DELHI — Prime Minister P.V. Narasimha Rao, responding to criticism that his economic reforms favor the rich, said Tuesday he would strive to rein in prices and improve the lives of the poor.

"We have to ensure that the gains and the pains of the reforms are equally shared," he said in an interview with Press Trust of India.

Critics of the government's three-year-old liberalization program have charged that the reforms, which include subsidy cuts and removal of price controls, have benefited only the affluent and brought no relief for the poor. Inflation, which recently again reached double digits, has been seen as one of the major reasons for the governing party's poor performance in local elections.

India Says Reforms Will Aid Poor

Agence France-Presse

"Economic growth has to be accelerated, and a determined effort has to be made to eradicate poverty," he said. "The rate of inflation has to be controlled and reduced further. These are all things on which I intend to concentrate my attention this year."

Some members of the governing party have called for a return to the era of subsidies and market protection that Mr. Rao and his finance minister, Manmohan Singh, have sought to end.

Mr. Rao said spending on the social sector, including education, health care and rural development, had "multiplied." Many of the reforms have been intended to encourage entrepreneurs by eliminating procedural bottlenecks and promoting investment.

Thai Firm Protests Positioning of New China Satellite

Reuters

HONG KONG — The launch of China's second commercial Apstar satellite scheduled for Thursday has run into objections from the company that manages Thai satellites.

Shinawatra Satellite PLC, which runs Thaicom satellites, has asked that the route of Apstar 2 be moved because it would be too close to two Thaicom satellites and could interfere with their functioning.

Apstar 2's clients include Ted Turner

of Turner Broadcasting Inc., the sports channel ESPN, Home Box Office, Discovery Channel and Hong Kong's TVB.

The Thai government also issued a complaint to China about Apstar.

"Reciprocally, Apstar 2 will not be immune to the interference," said a Shinawatra official. "In fact, this interference will be so severe that Apstar 2 customers may not be able to use the satellite."

"So far none of the nearby satellite

systems has given agreement to Apstar for the use of this position."

This is the second time China has been involved in a disagreement over positioning. It was asked to move its Apstar 1 satellite in June 1994 when satellite operators in the vicinity complained that Apstar would interfere with their signals.

The satellite industry is self-regulating, although governments are supposed to talk to one another on behalf of their satellite companies to avoid friction.

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Jan. 24, 1995

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Jan. 24, 1995

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AS - Australian Dollars; AU - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin;
L - Italian Lira; LF - Luxembourg Francs; P - peseta; S - Singapore dollars; SF - Swiss Francs; T - Taiwan Dollars; Y - Japanese Yen;
Nt - New Taiwan Dollar; N - New \$ - suspended; * - suspended; ** - suspended; *** - suspended; **** - suspended; ***** - suspended; ***** - suspended;
Not Communicated; + - New \$ - suspended; * - suspended; ** - suspended; *** - suspended; **** - suspended; ***** - suspended;
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THE MONEY
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OBSERVER

The Gingrich Agenda

By Russell Baker
NEW YORK — Noot thinks so:

1. Get the whole family together around the TV set and watch the TV set and his Connie Chung.

2. Write a letter to the editor in praise of orphans.

3. Write an angry letter to Charles Dickens for giving orphans a bad name.

4. Take a trip to the State of Washington and boo ex-Speaker Tom Foley.

5. Get half a dozen people to disagree with you about something, then crush them by calling them "elitists."

6. Phone Rupert Murdoch and tell him not to feel bad just because a few mean-spirited soreheads say he's the kind of fellow who'd give \$4.5 million to have a friend in Washington.

7. Do a lot of faxing to get in shape for the incredibly futuristic machinery that will improve the world after one of those coming waves of the future gets here.

8. Organize a search party to find a liberal, then get a good feeling all over by telling him, "You just don't get it, do you?"

9. Think up a lot of new amendments that will make it unconstitutional for people to do things they shouldn't, like:

(a) busting the family budget with wild spending on luxury cars, unaffordable real estate, tony colleges, fancy vacations and outrageous credit-card billings;

(b) leading a life that's offensive to your neighborhood's churchgoers;

(c) being an illegitimate child;

(d) becoming welfare queens.

10. Help build more prisons by sending the governor a bag of cement, a couple of really neat locks or a rock that's worn out its welcome in the garden but would be a swell addition to any prison rockpile.

11. Read The Federalist Papers, as per Noot's instructions.

or — better yet — get hold of a friend who's read The Federalist Papers and ask if he'll sum it up in a couple of paragraphs if you buy the beer.

12. Get up a neighborhood petition against socialized government. Demand an end to socialized streetlights, socialized storm drains, socialized road paving, socialized traffic signals, socialized police patrols, socialized fire fighting and other such stuff that ought to be privatized.

13. Get up a study group to consider whether privatized courts wouldn't be a whole lot better for the country than all the bureaucratic rigamarole we have now and whether the Constitution allows for privatizing them.

14. If not, get some good political philosophers like George Will and Pat Buchanan to push for an amendment to privatize everything from Chief Justice Rehnquist down to the local traffic magistrate.

15. When somebody asks how you expect Noot to balance the federal budget by cutting taxes, crush him by saying, "You just don't get it, do you?"

16. Show you're as tough on crime as the next guy by getting somebody with influence to get you a ticket to an execution.

17. Show you've had it up to here with foreigners by firing any illegal immigrants working for you if they start to get surly about taking a pay cut.

18. Elevate the neighborhood's moral tone by preaching that people who don't respect family values ought to be denied welfare and immunization against plague.

19. If one of your neighbors asks, "Does Noot's divorce show a contempt for family values that disqualifies him for anti-plague serum?" simply explain, "You just don't get it, do you?"

New York Times Service

Nijinsky's Writings: Dancer's Obsessions on Display

By Alan Riding
New York Times Service

PARIS — On Jan. 19, 1919, just hours before he danced in public for the last time, Vaslav Nijinsky began scribbling furiously in a notebook.

Seven weeks later, Swiss doctors studied four notebooks full of his writings and promptly interned him in a sanatorium for the mentally ill.

Nijinsky was only 29 at the time, and while his fame as the greatest dancer of his time never faded, he lived the last 31 years of his life in seclusion and incoherence.

His notebooks contained his final words addressed to the world. Until now, they have never been made public in a complete form.

In 1936, Nijinsky's Hungarian wife, Romola, authorized an expurgated English translation. In 1953, Editions Gallimard came out with a still more bowdlerized French version. But even after Romola Nijinsky died in 1978, her daughters, Kyra and Tamara, refused to release the full text.

Two years ago, Tamara Nijinsky relented, persuaded by a French writer, Christian Dumais-Lvowski, who had translated part of the English text and adapted it for the stage. "We were on the same wavelength," Miss Nijinsky recalled. "He too wanted to show the human being, the creature of God, and not just the dancer."

Now, with publication of Nijinsky's unexpurgated "Notebooks" in France by Editions Actes Sud, the pain, turmoil and obsessions that accompanied his slide toward insanity can at last be fully measured. Indeed, in his writings, he acknowledged that many people already considered him to be mad.

His expressed intention, though, was for his words to become a book. And hoping to find a publisher, he took his notebooks when he traveled from his temporary home in the Swiss ski resort of St. Moritz to Zurich on March 4, 1919, to see a "nervous doctor." He was never to write again.

The version published here this month, translated from the Russian by Dumais-Lvowski and Galina Pogozova, comprises three notebooks — the first

His unexpurgated notebooks have just been published in France.

two called "Life," the third called "Death" — as well as four letters from among the poems and other writings found in the fourth notebook. An English-language edition of "Notebooks" will be published by Farrar, Straus & Giroux, probably next year.

Much of the text reads like a stream of consciousness dominated by a series of fixations, including Nijinsky's identification with God and Jesus Christ, his love of humanity, his concern for feelings, his distaste for eating meat, his disdain for money, his wife's curiosity about his writing and his need to confess his sexual habits.

Writing just weeks after the end of World War I, he also repeatedly denounced the British prime minister, David Lloyd George, as a warmonger and praised the American president, Woodrow Wilson, and the French president, Georges Clemenceau, as men of peace. "Now Lloyd George wants to go to war in Ireland," he wrote.

Less surprisingly, he poured scorn on Sergei Diaghilev, the Russian impresario who took the 19-year-old Nijinsky as a lover and made him the star of his Ballets Russes.

Five years later, when Nijinsky left to marry Romola de Pulszy, Diaghilev threw him out of his dance company and tried to destroy his career. Nijinsky wrote: "I loved him sincerely and, when he told me that the love of women was a terrible thing, I believed him."

Yet in another section, he suggested he felt differently, describing in detail how he would slip away from Diaghilev and roam the streets of Paris looking for young prostitutes.

He also mocked Diaghilev, who by then had adopted Leonide Massine as his new lover, star dancer and choreographer. "Diaghilev dyes his hair not to look old," Nijinsky wrote.

"Diaghilev's hair is white. He buys black paste and rubs it on his hair. I would see it on his pillow, which would be stained black."

Nijinsky made only occasional references to his career, although he started his diary just hours before he was to perform for charity at the Hotel Suvretta

in St. Moritz. "I am not going to dance while my stomach is full," he wrote. "I will dance when everything is calm."

After the performance, he said he danced nervously on purpose.

"The public doesn't understand artists who are not nervous," he explained. "I was nervous because God wanted to excite the public. People came to amuse themselves. They thought I was dancing to amuse them. I danced terrible things. They were afraid of me because they thought I wanted to kill them."

In her own memoirs, Romola Nijinsky recalled that he danced as if consumed by the war that had just ended.

"He brought to life before our eyes all of human suffering," she wrote. "He created the impression of floating over a mass of dead bodies. The horrified public seemed stunned with amazement."

Nijinsky himself wrote that he knew how the public would react to the dance he had created. "The public wants to be shocked," he said.

"I know how to shock the public, which is why I am certain of success." Yet just as he caused an uproar in Paris in 1913 with his revolutionary choreography to Stravinsky's "Sacre du Printemps," St. Moritz seemed unprepared for him that night six years later.

Even then, he expected to continue dancing. "They won't put me away in an asylum because I dance very well and I make lots of money for those who want it," he wrote. "People like eccentrics, which is why they leave me alone, saying I am a crazy clown."

As he was preparing to leave for Zurich, he appeared to know his life would change. He wrote that his wife had told him to tell his daughter Kyra, who was 4, that he would never return. And, on the final page, he wrote: "I will go now. I am waiting. . . I don't want to."

Tamara Nijinsky, who came to Paris from her home in Arizona to help publicize "Notebooks," said she understood why her mother censored the 1936 version of the book.

"He wrote about politicians who were still remembered," she said. "There were sexually explicit things, and she was probably prudish. Also my father was alive, and she wanted to perpetuate the myth that he was O.K. Even near the end, she would write to us saying he was fine."



Nijinsky's notes read like a stream of consciousness dominated by fixations and his need to confess his sexual habits.

WEATHER

Europe	Today	High	Low	Tomorrow	High	Low
London	12-18	18	12	15-22	22	15
Paris	10-16	16	10	13-20	20	13
Rome	14-20	20	14	17-24	24	17
Moscow	8-14	14	8	11-18	18	11
Stockholm	5-11	11	5	8-15	15	8
Helsinki	4-10	10	4	7-14	14	7
Oslo	3-9	9	3	6-13	13	6
Warsaw	6-12	12	6	9-16	16	9
Berlin	9-15	15	9	12-19	19	12
Amsterdam	11-17	17	11	14-21	21	14
Brussels	12-18	18	12	15-22	22	15
Luxembourg	13-19	19	13	16-23	23	16
Frankfurt	10-16	16	10	13-20	20	13
Düsseldorf	11-17	17	11	14-21	21	14
Cologne	12-18	18	12	15-22	22	15
Dortmund	13-19	19	13	16-23	23	16
Munich	10-16	16	10	13-20	20	13
Regensburg	11-17	17	11	14-21	21	14
Salzburg	12-18	18	12	15-22	22	15
Vienna	13-19	19	13	16-23	23	16
Zurich	14-20	20	14	17-24	24	17
Basel	15-21	21	15	18-25	25	18
Geneva	16-22	22	16	19-26	26	19
Lausanne	17-23	23	17	20-27	27	20
Montreux	18-24	24	18	21-28	28	21
Chamonix	19-25	25	19	22-29	29	22
Annecy	20-26	26	20	23-30	30	23
Evian	21-27	27	21	24-31	31	24
Geneve	22-28	28	22	25-32	32	25
St. Moritz	23-29	29	23	26-33	33	26
Corvara	24-30	30	24	27-34	34	27
Merano	25-31	31	25	28-35	35	28
Bozén	26-32	32	26	29-36	36	29
Val Gardena	27-33	33	27	30-37	37	30
San Candido	28-34	34	28	31-38	38	31
Ortaces	29-35	35	29	32-39	39	32
Val Isère	30-36	36	30	33-40	40	33
Chamonix	31-37	37	31	34-41	41	34
Annecy	32-38	38	32	35-42	42	35
Evian	33-39	39	33	36-43	43	36
Geneve	34-40	40	34	37-44	44	37
St. Moritz	35-41	41	35	38-45	45	38
Corvara	36-42	42	36	39-46	46	39
Merano	37-43	43	37	40-47	47	40
Bozén	38-44	44	38	41-48	48	41
Val Gardena	39-45	45	39	42-49	49	42
San Candido	40-46	46	40	43-50	50	43
Ortaces	41-47	47	41	44-51	51	44
Val Isère	42-48	48	42	45-52	52	45
Chamonix	43-49	49	43	46-53	53	46
Annecy	44-50	50	44	47-54	54	47
Evian	45-51	51	45	48-55	55	48
Geneve	46-52	52	46	49-56	56	49
St. Moritz	47-53	53	47	50-57	57	50
Corvara	48-54	54	48	51-58	58	51
Merano	49-55	55	49	52-59	59	52
Bozén	50-56	56	50	53-60	60	53
Val Gardena	51-57	57	51	54-61	61	54
San Candido	52-58	58	52	55-62	62	55
Ortaces	53-59	59	53	56-63	63	56
Val Isère	54-60	60	54	57-64	64	57
Chamonix	55-61	61	55	58-65	65	58
Annecy	56-62	62	56	59-66	66	59
Evian	57-63	63	57	60-67	67	60
Geneve	58-64	64	58	61-68	68	61
St. Moritz	59-65	65	59	62-69	69	62
Corvara	60-66	66	60	63-70	70	63
Merano	61-67	67	61	64-71	71	64
Bozén	62-68	68	62	65-72	72	65
Val Gardena	63-69	69	63	66-73	73	66
San Candido	64-70	70	64	67-74	74	67
Ortaces	65-71	71	65	68-75	75	68
Val Isère	66-72	72	66	69-76	76	69
Chamonix	67-73	73	67	70-77	77	70
Annecy	68-74	74	68	71-78	78	71
Evian	69-75	75	69	72-79	79	72
Geneve	70-76	76	70	73-80	80	73
St. Moritz	71-77	77	71	74-81	81	74
Corvara	72-78	78	72	75-82	82	75
Merano	73-79	79	73	76-83	83	76
Bozén	74-80	80	74	77-84	84	77
Val Gardena	75-81	81	75	78-85	85	78
San Candido	76-82	82	76	79-86	86	79
Ortaces	77-83	83	77	80-87	87	80
Val Isère	78-84	84	78	81-88	88	81
Chamonix	79-85	85	79	82-89	89	82
Annecy	80-86	86	80	83-90	90	83
Evian	81-87	87	81	84-91	91	84
Geneve	82-88	88	82	85-92	92	85
St. Moritz	83-89	89	83	86-93	93	86
Corvara	84-90	90	84	87-94	94	87
Merano	85-91	91	85	88-95	95	88
Bozén	86-92	92	86	89-96	96	89
Val Gardena	87-93	93	87	90-97	97	90
San Candido	88-94	94	88	91-98	98	91
Ortaces	89-95	95	89	92-99	99	92
Val Isère	90-96	96	90	93-100	100	93
Chamonix	91-97	97	91	94-101	101	94
Annecy	92-98	98	92	95-102	102	95
Evian	93-99	99	93	96-103	103	96
Geneve	94-100	100	94	97-104	104	97
St. Moritz	95-101	101	95	98-105	105	98
Corvara	96-102	102	96	99-106	106	99
Merano	97-103	103	97	100-107	107	100
Bozén	98-104	104	98	101-108	108	101
Val Gardena	99-105	105	99	102-109	109	102
San Candido	100-106	106	100	103-110	110	103
Ortaces	101-107	107	101	104-111	111	104
Val Isère	102-108	108	102	105-112	112	105
Chamonix	103-109	109	103	106-113	113	106
Annecy	104-110	110	104	107-114	114	107
Evian	105-111	111	105	108-115	115	108
Geneve	106-112	112	106	109-116	116	109
St. Moritz	107-113	113	107	110-117	117	110
Corvara	108-114	114	108	111-118	118	111
Merano	109-115	115	109	112-119	119	112
Bozén	110-116	116	110	113-120	120	113
Val Gardena	111-117	117	111	114-121	121	114
San Candido	112-118	118	112	115-122	122	115
Ortaces	113-119	119	113	116-123	123	116
Val Isère	114-120	120	114	117-124	124	117
Chamonix	115-121	121	115	118-125	125	118
Annecy	116-122	122	116	119-126	126	119
Evian	117-123	123	117	120-127	127	120
Geneve	118-124	124	118	121-128	128	121
St. Moritz	119-125	125	119	122-129	129	122
Corvara	120-126	126	120	123-130	130	123
Merano	121-127	127	121	124-131	131	124
Bozén	122-128	128	122	125-132	132	125</